

Chapter III

Account Maintenance

Compliance Policy and Procedures Manual

NOTICE:

**CONTENT OF THIS CHAPTER IS
CURRENTLY UNDER REVISION.**

**PLEASE CHECK THIS FILE
PERIODICALLY FOR UPDATES.**



Sales and Use Tax Department
California State Board of Equalization

January 1996

Table of Contents

ACCOUNT MAINTENANCE	300.000
ACCOUNT MAINTENANCE RESPONSIBILITIES	301.000
Account Maintenance Defined	301.005
General Statement on Account Maintenance	301.010
Originating Changes	301.020
FILE CARDS	302.000
DISTRIBUTION of File Cards	302.010
Obsolescence of File Cards	302.020
CHANGES TO EXISTING ACCOUNT RECORDS	305.000
Change of Account Record	305.010
FORM BT-1047, NOTICE TO CHANGE ACCOUNT RECORD	310.000
Form BT-1047 or Video Terminal Remote Input?	310.005
Form BT-1047, Overview	310.010
Changes Which May NOT Be Made With Form BT-1047	310.011
BT-1047 Exhibit	310.012
Preparation of Form BT-1047	310.020
Check Box for Reason Form is Prepared	310.021
Section A, Identification of Account Record	310.025
Section B, Items To Be Corrected	310.030
Section C, Reason(s) For Change	310.040
Section D, Reason For Transfer	310.050
Section E, New Phones and Addresses	310.060
Office, By, Date	310.070
INTERDISTRICT MOVES	311.000
What is an Interdistrict Move?	311.005
Processing an Interdistrict Move of Account	311.010
Decision Table — Single Outlet Code	311.011
Out-of-State Accounts — Single Outlet	311.012
BT-1047, REINSTATEMENT OF ACCOUNTS CLOSED OUT IN ERROR	312.000
Reinstatement After Close-out In Error, Preparation of Form BT-1047	312.010
BT-1047 AND BT-777, CHANGES TO REPORTING BASIS	313.000
Overview of Changes to Reporting Basis	313.005
Factors to Consider When Changing Reporting Basis	313.006
Reporting Basis Changes Possible	313.007
Effective Dates of Change in Reporting Basis	313.008
Process Date When Changing Reporting Basis	313.009
Preparation of Form BT-777	313.010
Preparation of BT-777 for Prepayment Status	313.011
Mass Change of Reporting Basis	313.012
Preparation of BT-1047 for Prepayment Status	313.013
Deletion of Prepayment Status Effective January 1	313.015
Changes to Special Reporting Basis — Form BT-1047	313.020
Changes to Weekly Reporting, Vendor Use Fuel Tax — BT-1047	313.030
Changes to Special Reporting Basis, Use Fuel Tax	313.035

TABLE OF CONTENTS (CONTINUED)

REPLACEMENT OR REISSUANCE OF PERMITS	320.000
General Guides for Replacement or Reissuance of Permits	320.010
Seller's Permits	320.020
Certificate of Registration — Use Tax	320.040
Use Fuel Tax Permits	320.050
Vendor Use Fuel Tax Permits	320.060
BT-1047 CODING GRID ENTRIES.....	328.000
Overview	328.005
Basis Codes	328.010
Business Code	328.020
Verification or Correction of	
Business Code — Code 29 Accounts	328.021
Area Code	328.030
Original Starting Code	328.040
Owner Code	328.050
Account Analysis	328.060
HQ Use Only	328.070
Exception Code: Accountants' Mailing Code	328.080
Exception Code: Returns Mailed to Foreign Country	328.081
Exception Code: Multiple Exceptions	328.082
Special Return Processing Code	328.085
Reporting Basis — Related Coding Grid	
Entries and Actions, Sales Tax	328.086
Reporting Basis — Related Coding Grid	
Entries and Actions, Use Fuel Tax	328.087
Extension Code: Permanent Extension of Time	
Granted to Certain POLITICAL Subdivisions	328.090
Extension Code: Coding Tax Returns for Return Review	328.091
EXHIBIT A:	CHANGES IN REGISTRATION PROCESS FOR BAY AREA RAPID TRANSIT (BART)
EXHIBIT B	NUMBER SERIES PREFIX
EXHIBIT C	ADD-ON CODES FOR SPECIAL TAXING JURISDICTIONS
EXHIBIT D	ADD-ON CODES IN NUMERICAL ORDER
CONVERSION OF ACCOUNT USING FORM BT-1047	332.000
What is a Conversion?	332.005
Terms Used When Dealing With Consolidated Accounts	332.006
Consolidated Accounts in a Single Taxing Jurisdiction	332.015
Decision Table — Consolidated Accounts	332.016
Decision Table — Consolidated Accounts	
Fringe Area and Out-of-State	332.017
Regular Consolidated Accounts	
Requiring Further Local Tax Allocation	332.020
Consolidated Accounts — Special Sellers	332.025
Conversion of Single Location Account to	
Multiple Location Account	332.030
Conversion of "SX Account to "SY" or "SZ"	332.032
BT-400-CB, Schedule of Subpermits	332.035

TABLE OF CONTENTS (CONTINUED)

Adding New Sublocations to an Existing Consolidated Account	332.040
Preparation of Permit Cards for Consolidated Accounts	332.050
Move of a Sublocation	332.060
Closeouts of Sublocations	332.065
Conversion of Consolidated Account to Single Location Account	332.070
Other Changes to Consolidated Accounts	332.080
Conversions of Accounts to Different Tax Programs	332.100
Conversion To Seller From Consumer Use Tax or Certificate of Registration — Use Tax	332.110
Conversion From Seller To Consumer Use Tax or Certificate of Registration — Use Tax	332.120
BT-523, TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE	350.000
Form BT-523, Overview	350.005
From BT-523, Tax Return and/or Account Adjustment Notice	350.010
Returns for Periods Prior To Starting Date or for Partial Periods	350.020
Information for Preparation of Form BT-523	350.030
Change of Closeout Date — No Other Account Involved	350.040
Change of Starting Date — No Other Account Involved	350.050
Change of Closout or Starting Date (Predecessor) — Change of Starting Date or Closeout Date (Successor)	350.060
Transfer of a Return From One Account To Another	350.070
Accounts Receivable Balance Under One Account Transferred to Another Account	350.080
One Account — Return for One Period Transferred to Another Period	350.090
Two accounts — Transfer of a Fractional Period Erroneously Included in a Return for One Active Account to the Correct Account	350.095
Two accounts — Transfer of a Fractional Period Erroneously Included in a Return for Closed-out Account to the Correct Active Account	350.100
One Account — Tax for One Period Erroneously Included in a Return for Another Period	350.110
Prepayment Account — Adjustment of Prepayments Unsupported by Quarterly Return(s)	350.120
DELINQUENCY CONTROL, REVOCATIONS AND REINSTATEMENTS	360.000
Overview	360.005
Taxpayer Bill of Rights	360.006
Terms Used in Administration of the Delinquency Program	360.008
Reasons for Revocations	360.010
Establishing or Clearing Delinquencies	360.011
Withholding Delinquency Action	360.012
Hearings	360.020
Initiation of Revocation Action	360.030

TABLE OF CONTENTS (CONTINUED)

Hearing Notices	360.040
Form BT-1048 — Request to Clear Delinquency	
Records or Withhold Revocation Action	360.050
Effective Date of Revocations	360.060
Effect of Revocation	360.070
Interdistrict Transfer of Revoked Account	360.071
Prosecutions, Operating After Revocation	360.080
Conditions of Reinstatement	360.090
Reinstatements After Revocation — Fees	360.100
Reinstatement — Forms Required	360.110
Use of Form BT-404, Reinstatement Fee Action	360.115
Payments After Revocation	360.120
Inoperative Revocations	360.130
Revoked Accounts Closed Out in Error	360.140
Revocation, Vendor Use Fuel Permits	360.150
Reinstatement After Revocation — Forms BT-400	360.160
Reinstatement After Revocation — Miscellaneous Change	360.170
REINSTATEMENT After Revocation and Move Within District	360.180
Reinstatement After Revocation and Interdistrict Move	360.190

ACCOUNT MAINTENANCE

FORM OR METHOD USED FOR ACCOUNT MAINTENANCE
(Excludes Consolidated Accounts)

CHANGES TO BE MADE	A 311.010	B 311.010, 312.010	C 360.140, 360.190	D 360.190	E 311.010, 313.010	F 311.010, 313.010, 350.060	G 311.010, 350.060	H RIM (Remote Input Manual)	I RIM, 312.010	J RIM, 360.140	K RIM, 360.160	L RIM, 313.010	M RIM, 313.010, 350.040	N RIM, 350.040	O RIM	P 312.010	Q 360.160	R 350.040	S 313.010	T 350.050	U RIM	V 310.020	W 310.020	X 360.050	Y 360.130	Z RIM
Interdistrict Move	Y	Y	Y	Y	Y	Y	Y																			
Move within district								Y	Y	Y	Y	Y	Y	Y												
Area Code correction *															Y											
Reinstatement after closeout		Y	Y					Y	Y							Y										
Reinstatement after revocation								Y	Y								Y									
Closeout Date																		Y								
Reporting Basis				Y	Y														Y							
Starting Date					Y	Y							Y	Y					Y							
Business Address (correct error)																					Y					
Account Number (correct error)																						Y				
Ownership (correct error)																							Y			
Clear or withhold revocation																								Y		
Inoperative revocation																									Y	
Mailing address, firm name, business code accountant's exception code, special return processing code only with exception code change																									Y	

Use Form(s) or method	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Remote Input								X1	X1	X1		X1	X1	X1	X1						X1			X1	X1	X1
BT-1047	X1	X1	X1	X1	X1	X1	X1		X2							X1						X1	X1			
BT-523						X2	X2						X2	X2				X1		X1						
BT-777					X2	X3						X2	X3						X1							
BT-400			X2	X2						X2	X1						X1									
BT-1048 **																								OR (X1)		
BT-403 / BT-921 (Local policy)	X2	X2	X3	X3	X3	X4	X3	X2	X3	X3	X2	X3	X4	X3			X2									
BT-16																									X2	

* Area Code changes due to annexation or redevelopment require BT-1047.

** Form BT-1048 is planned to be phased out in Fall, 1990.

ACCOUNT MAINTENANCE 300.000**ACCOUNT MAINTENANCE RESPONSIBILITIES 301.000****ACCOUNT MAINTENANCE DEFINED 301.005**

Account maintenance is the procedure, or combination of procedures, by which changes to established Business Taxes accounts may be made. Changes reflect corrections, updates and moves, or invoice special procedures. Account maintenance may be performed by either field offices or headquarters units, and may be done on-line or by paper input.

On-line processes and procedures to perform account maintenance are found in either the Video Terminal User's Guide or Remote Input Manual. Chapter III of the will detail only those procedures which are not currently performed on-line.

GENERAL STATEMENT ON ACCOUNT MAINTENANCE 301.010

This chapter explains the policies, procedures and forms to change registration data on sales tax, including consolidated accounts and sub-permit(s), use fuel and vendor use fuel tax accounts.

Entries and information which appear on video registration records are current through the day they are viewed. Original registration of accounts as of this writing ¹ is handled by transcription of data contained on Forms BT-400 into permanent mainframe storage. The Board is moving toward elimination of data transcription in favor of on-line registration by Fall, 1992. Until on-line registration is a reality, delays of one to three weeks will occur from the time a new permit is issued until the time it appears on registration records.

ORIGINATING CHANGES 301.020

Most changes originate in field offices from taxpayer information and other sources. Occasionally, headquarters units may receive information before the district indicating a possible need for change. Generally the information is transmitted to the district in its original form, such as a letter or a copy of the document from a taxpayer, or by use of Form BT-1047, Notice to Change Account Record. (See Section **310.000** et seq.). Miscellaneous changes to the registration records may be processed by Registration Unit or the field office. Those items forwarded to the field office should be promptly processed

¹ Chapter III was edited and rewritten in mid-1990.

COMPLIANCE POLICY AND PROCEDURES MANUAL

FILE CARDS**302.000****DISTRIBUTION OF FILE CARDS****302.010**

Information Management Division produces a 3" by 5" card containing the same information as a video registration screen each time a new account is created, a move occurs, account information changes, or an account is closed out.

File cards¹ are produced for distribution to Local Tax and Headquarters Central Files Units. Until all field offices received video terminals, additional cards were furnished to those offices with no video and/or who maintained an active geographic ("Geo") file.

No field offices continue to receive 3x5 cards on a regular basis though cards may be produced for special projects upon identified need.

Cities and counties receive 3x5 cards, diskettes, microfloppy diskettes, or magnetic tapes of accounts within their areas of control. Production of data by the Board is part of our contractual obligation under the Bradley Burns Uniform Local Tax Law, and is tailored to the needs of each jurisdiction.

OBSOLESCENCE OF FILE CARDS**302.020**

File cards are obsolete; when encountered in a field office file folder, file cards should be removed and destroyed.

1 File cards have also been called by other names, including "3x5" cards, "D.O." cards, and "Geo file" cards

COMPLIANCE POLICY AND PROCEDURES MANUAL

CHANGES TO EXISTING ACCOUNT RECORDS 305.000

CHANGE OF ACCOUNT RECORD 305.010

Forms used to change an account record are designed for specific purposes. Each form and its intended purpose(s) is detailed below.

Form BT-1047, Notice to Change Account Record

See Subsection 310.000 for full details regarding proper use and preparation of Form BT-1047.

Form BT-1047 is a multipurpose form which may be used to perform the following functions:

1. Change an active account record ¹
2. Process an interdistrict move
3. Reinstate an unrevoked account after close-out in error
4. Convert accounts within the same tax law from one kind to another, for example:
 - Consumer Use Tax to a Sales Tax account
 - Certificate of Registration — Use Tax to a Consumer Use Tax account
 - Seller to Certificate of Registration — Use Tax
5. Assign exempt basis to use fuel account
6. Changes to and from special reporting for fuel vendors
7. Changes to and from weekly reporting for fuel vendors.

Form BT-777, Notice of Change in Reporting Status

Form BT-777 is used by field offices to notify taxpayers of a reporting basis change and to perform the change through Registration Unit 2.

When reporting basis changes are being prepared for numerous accounts, a “Mass Change” is preferable to individual Forms BT-777. See Subsection **313.005**.

Form BT-523, Tax return and/or Account Adjustment Notice

Form BT-523 may be used for the following functions:

1. Change the starting date of an active account
2. Change the closing date of a closed out account
3. Indicate a closed out account never operated
4. Move returns between or among accounts
5. Change the period for which a return already processed in Headquarters was received.
6. Clear delinquencies for which audits, field billing orders or jeopardy determinations were prepared
7. In conjunction with moving returns between or among accounts, reallocation of state, county, local or special taxing jurisdiction taxes may be made

1 Most account changes are performed on-line using the video terminal. Mailing address changes for closed out accounts should be performed on-line using the video terminal. Only certain specific changes, such as addition of an extension code, correction to ownership of an account, and additional or deletion of a prepayment code, require preparation of Form BT-1047.

2 Form BT-777 may not be used with Vendor Use Fuel accounts, as no other reporting basis than Monthly exists.

Form BT-400, Application for a Seller's Permit and Registration as an Employer

This form is used for reinstatement after revocation.

For changes which can be accomplished by remote input, see the Remote Input Manual.

FORM BT-1047, NOTICE TO CHANGE ACCOUNT RECORD**310.000****FORM BT-1047 OR VIDEO TERMINAL REMOTE INPUT?****310.005**

Field offices may perform most account maintenance functions using remote input programs (RGV video programs). For specific guidance on how to use remote input account maintenance, please refer to the Remote Input Manual and the Video Terminal Users' Guide.

Form BT-1047 performs account maintenance functions which are not possible via remote input. These functions include:

- move accounts between districts
- convert accounts from one type of tax program to another within the same tax category
- reinstate unrevoked accounts from closeout in error
- make certain changes to the account registration record which cannot be made via remote input
- assign an exempt basis for use fuel tax accounts
- add or delete special return processing code
- add or delete extension codes

Changes to the registration record using remote input is an overnight process. Processing of paper forms is a much slower process both in field offices and in headquarters units, often taking two to three weeks to appear on registration records. Where possible, use remote input for routine account maintenance, particularly when nearing cutoff dates after which tax returns furnished to taxpayers must be manually prepared.

Remote input may also be used to change the mailing address of an account which is closed out.

FORM BT-1047, OVERVIEW**310.010**

The primary use of Form BT-1047 is for field offices to instruct Headquarters Registration to add, change or delete specific portions of account record registration data. The form may not be used to change an account number, sub-permit number or reporting basis but may be used to correct certain fields if an error was made when the account record was established.

The form *cannot* be used to change or correct the starting date of an account or subpermit¹.

The form may be used in some cases to convert a single outlet sales tax account to a master consolidated account. However, Form BT-1047 may not be used to make a single outlet seller's permit a sub-location of another account.

¹ Use Form BT-1523 for this purpose

CHANGES WHICH MAY NOT BE MADE WITH FORM BT-1047**310.011**

Certain account changes may not be made under any circumstances with Form BT-1047:

- addition or deletion of a general partner
- Incorporation of an account
- change of tax program from fuel to sales/use tax and vice-versa
- change of tax program from temporary (tax code "ST") to regular and vice-versa
- change of start date
- change of ownership type after taxpayer has filed first return, such as from individual to partnership

Each of the situations above, except the change of start date, requires closeout of the permit and issuance of a new permit. Use Form BT-523 to change the start date.

ACCOUNT MAINTENANCE

BT-1047 EXHIBIT

310.012

BT-1047 REV. 14 (7-87) 87 45776

STATE BOARD OF EQUALIZATION

NOTICE TO CHANGE ACCOUNT RECORD

Activity Code
FOR
HQ

TO: Headquarters Registration Unit Compliance

Complete Parts A, B, C, and E	<input type="checkbox"/> District Notice to Change Account Record	<input type="checkbox"/> Conversion	<input type="checkbox"/> Reinstatement of Account close out in error
	<input type="checkbox"/> HQ proposal to Change Account Record	<input type="checkbox"/> Move Within District	Close-out on BT-406
Complete Parts A, B, C6, C7, D, and E:		<input type="checkbox"/> Notice of Interdistrict Transfer	ACCOUNT NUMBER
A. IDENTIFICATION OF ACCOUNT RECORD		Tax	Office
Owner		Number	Sub Master Number Office
310.021			
310.025			

B. ITEMS TO BE CORRECTED		ACCOUNT NUMBER		Tax	Office	Number	Sub Number	Master Office						
310.030		1.												
2.	Owner(s)													
3.	Firm Name (if Different than Owner)													
4.	Location of Business (if Different than Mailing Address)													
5.	Mailing Address (Number and Street)						City (if Different than Mailing Address)							
6.	City													
Basis	Bus. Code	Area Code				Original Starting Date	Owner Code	Account Analysis	HQ. USE ONLY			Exception Code	Special Return Processing Code	Ext. Code
		Co.	Jur.	Add-On (Transit, Etc.)	In Lieu (Redev. Etc.)				Effective Date					
						Month	Year		Month	Day	Year			
				328.000										

C. REASON(S) FOR CHANGE		Remarks:		6. Furnished to Taxpayer:	
1. <input type="checkbox"/> As of		Move within district		Permit Card <input type="checkbox"/>	
2. <input type="checkbox"/> As of	310.040	Area Code, incorporation, or annexation; Number		Notice of Prepayment Status Form BT-1241 <input type="checkbox"/>	
3. <input type="checkbox"/> As of		Area Code, other:		Returns <input type="checkbox"/> No <input type="checkbox"/> Yes	
4. <input type="checkbox"/> Change should not be made because					Periods
5. <input type="checkbox"/> Conversion: To consolidated, attach BT-400-CS; to regular, attach BT-406-CS.					7. Basis

D. REASON FOR TRANSFER		<input type="checkbox"/> Sales Tax <input type="checkbox"/> Use Fuel <input type="checkbox"/> Vendor <input type="checkbox"/> Certificate of Registration — Use Tax <input type="checkbox"/> Consumer Use Tax <input type="checkbox"/> (Other) account moved between districts	
1. <input type="checkbox"/> As of		Master location — consolidated account moved to another district.	
2. <input type="checkbox"/> As of	310.050	Duplicate BT-1047 for move of subpermits attached	
TO:		Send the master file and all pertinent documents.	
TO:		Attached is master file and documents identified below.	
SECURITY	Cash Deposit	Bearer Bond	Time Certificate of Deposit
	Surety Bond	Number	Name of Bonding Co.
DESCRIPTION (Show date and amount of each Security From)			
Date \$			
BILLINGS Form No. Date \$			
DELINQUENCIES (Show Periods) \$			

E New Residence Phone	310.060	New Business Phone	New Residence Phone
Office	310.070	By	Date

HEADQUARTERS ROUTING				
REGISTRATION	DATA PROCESSING	ACCT. REF.	LOCAL TAX	AUD. CONT.

PREPARATION OF FORM BT-1047**310.020**

Prepare a BT-1047 only for those account maintenance functions which cannot be accomplished via remote input.

Prepare Form BT-1047 in duplicate; check the box entitled “District Notice to Change Account Record” at the top of the form. Send the original to Headquarters and keep the copy for the district file. For branches which still maintain a separate branch file, additional copies may be made.

CHECK BOX FOR REASON FORM IS PREPARED**310.021**

Check one of the six boxes to indicate why Form BT-1047 is being prepared. Do not check two or more boxes.

[] District Notice to Change Account Record

Check this box when changes to an account are to be made which do not affect the area code, and which cannot be accomplished by remote input. Items which might be changed in this manner:

- add extension code
- correct name of owner(s) due to marriage or divorce
- place quarterly account onto prepayment basis

[] HQ Proposal to Change Account Record

Occasionally, a Headquarters unit finds reasons to recommend a change to an account. Items which may be proposed are:

- add special extension code in Return Review Unit
- change of area code from or to countywide allocation (Local Tax or Return Review)
- change of tax code from or to Special Seller, tax code “SS” (Local Tax or Return Review)

[] Conversion

See CPPM **332.000** for conversions of accounts

Sales and Use Tax accounts, only, may be changed from single to multiple outlet accounts, from multiple to single outlet accounts, or from sales tax to use tax accounts. No conversions of fuel tax accounts are possible.

[] Move Within District

All moves within districts, including between offices and branches within a district, are now performed by remote input. This box will be removed at the next update of Form BT-1047.

[] Reinstatement of account closed out in error

This box is checked when you wish to reinstate an account which was previously closed out. You may NOT reinstate an account in this manner which was REVOKED and subsequently closed out. See CPPM **360.000** for reinstatement of revoked, closed out accounts.

Reinstatement of an account which was closed out in error and which has moved to another district requires the preparation of two separate Forms BT-1047:

- the first to accomplish the reinstatement
- the second to accomplish the interdistrict move

If the account is an “SX” consolidated account, additional forms are required ².

² See Subsection **332.000**

[] Notice of Interdistrict Transfer

Interdistrict moves are described in detail in CPPM **311.000**.

This box is checked when moving an account to another district. Do not check this box (or use BT-1047) when moving an account between offices within the same district 3.

SECTION A, IDENTIFICATION OF ACCOUNT RECORD**310.025**

Section A of Form BT-1047 is completed by entering the existing name and account number exactly as it appears on the registration record regardless of the fact that either the name or account number might be changed by the entries in Section B of the form.

SECTION B, ITEMS TO BE CORRECTED**310.030**

The only entries made in Section B of Form BT-1047 are those to be changed or deleted on the account record. To change the tax code or office code portion of the account number, only the complete new tax code or office code must be shown in the appropriate box. To add or correct an item on the account record, only the addition or correction is entered in the proper box. The complete information for that box must be entered. To delete an item from the account record, the word **"DELETE"** is entered in the proper box. More than one addition, correction, or deletion may be made on one form.

Firm Name ⁴

The firm Name (DBA, for "Doing Business As") is entered whenever the owner operates the business with a fictitious name. If there is no fictitious name or if the firm name is the same as the ownership, no entry is made in this space.

A firm name or DBA is optional, and is not required by Board of Equalization laws or regulations. Firm names and DBA's are added for informational purposes. Registration of fictitious names is performed with the County Recorder.

Location of Business (If Different than Mailing Address)

See CPPM 250.080 ET. Seq. for accounts where books and records are located out of state or in fringe areas.

"Location of business for single outlet instate sales and use tax accounts is the physical address from which sales are made. The instate business address determines the district of office of control.

3 For example, do not use a BT-1047 to move an account from ARE — Santa Barbara, as this is an intradistrict transfer, and is made using remote input. An interdistrict transfer would occur if an account was moved from the ARE — Santa Cruz office to GH — San Jose. In short, if the account is being moved to an office with the same first two letters of the office code, the move is occurring within the same district and remote input is used. If the account is being moved to an office where the first two letters of the office code are different, an interdistrict transfer is occurring, and Form BT-1047 is used.

4 May be individually changed by remote input.

SECTION B, ITEMS TO BE CORRECTED

(CONT.). 310.030

When the location of the business is different from the mailing address, the location of business is entered so that the site the business occupies is clearly identified. For use fuel tax applications, the address where the taxpayer or his representative may be reached for compliance or audit purposes is entered. Each item of this space must be completed in full. If there is no street address the location must be identified by describing it in relation to permanent landmarks. A post office box, route box number, or accountant's address is not entered as a business address for an instate account. However, Out-of-State District and Fringe Area accounts without an instate business address, and which use an area code beginning with 59-999 may in some instances have only a post office box for the business and mailing addresses.

Consolidated sales and use tax accounts are issued to a "master location", which is the location of books and records, and is used to establish the office of control. A master location does not necessarily need to be a selling location, hence a master location may be in one district, with all selling sub-locations located elsewhere.

Additional information on consolidated accounts may be found in Section 232.000 and **332.000**.

When a former business address was also the mailing address and a different mailing address is to be added, enter the present business address on Line 4. If the city and/or state are different from the new mailing address, also enter the city and state (if applicable). The new mailing address is entered on Line 5. Line 6 is completed if the city and/or state have been changed.

When the former mailing address was different from the business address and a change is to be made so that the business address and mailing address are one and the same, enter "delete" on Line 4 and enter the business address on the Line 5 and, if applicable, Line 6

Mailing Address (Number and Street), City, State ⁵

When the business address is changed as a result of renumbering the address or renaming the street by action of the city or county, the complete new address is shown, including the city and state if they are different from those in the business address.

A change or correction of a business address may result in a change of area code. If there is no change to the area code, draw two lines through the area code grid on the BT-1047. (See Section 228.000 for additional help for coding grid entries.)

ZIP Code

Enter the state and ZIP or ZIP+4 codes. If a 9-digit ZIP code ("ZIP+4") is entered into the registration record for an account, all forms and correspondence will be prepared with the ZIP+4 number. Five (5) digit ZIP codes will continue to be acceptable.

Foreign County Mail

When changing an account with a mailing address in a foreign country, enter the country name in the "State" area. If the country is Canada, the appropriate 7 position Canadian POSTCODE code is entered in the "Zip Code" area. For other countries, no ZIP code or equivalent is entered.

Note: Foreign country province or state names, or abbreviations are NOT entered in the "State" area. If a foreign province or state name is required as part of a mailing address, enter the name in the "City or Town" area.

⁵ May be individually changed by remote input.

Coding Grid Entries

Coding grid entries are separately addressed in CPPM **328.000**, due to the number of interrelated decisions which must be made. Only make entries in the coding grid for items to be changed.

To delete an Exception Code, Special Processing Code or Extension Code, enter the word "DELETE" in the box(es) affected.

SECTION C, REASON(S) FOR CHANGE**310.040****1. [] As of _____ Move within District**

Accounts which moved from location to location within the same district (including moves between branches within the same district) are moved using remote input instead of Form BT-1047. Remote input saves time and paperwork, as no BT-1047 is required, and changes to the registration record appear the following morning. This section will not appear on future updates of Form BT-1047.

A change or correction of a business address may result in a change of area code. If there is no change to the area code, draw two lines through the area code boxes on the BT-1047. Otherwise, enter the full 12-digit new area code (See Section 228.030 for area code assistance with coding grid entries.)

IMPORTANT!

The effective date is always the date on which the move actually occurred, not the date when the form making the change is prepared. Local taxes must be allocated or reallocated to the jurisdiction from the time the move actually occurred.

Distribution of Forms BT-1047

Original—Headquarters Registration

Duplicate—District file

2. [] As of _____ Area code, Incorporation or annexation Number

Changes to an area code which are caused by annexation, incorporation, or new redevelopment area within a city must be initiated and approved by the Local Tax Unit. Local Tax Unit will forward Form BT-888, "Notice of Annexation or Incorporation", to the district in which the newly annexed or incorporated area is located. District personnel must identify all sales and use tax accounts and sub-permits with the affected area and prepare a list of those accounts. Attach the list to a single Form BT-1047 and return the list, BT-1047 and Form BT-888 to Local Tax Unit for processing.

Check the box next to 2, enter the new 12-digit area code in the coding grid, and enter the appropriate effective date as shown on Form BT-888 in the space provided. After "Number," enter the annexation or incorporation number from Form BT-888. Attach all Forms BT-1047 to the original BT-888, and forward the entire package to Local Tax Unit for processing.

3. ☐ As of _____ Area code, other

Erroneous area codes are occasionally encountered. Correction of most erroneous area codes may be made via remote input. In situations where remote input of an area code correction cannot be made, check the box next to 3, enter the corrected 12-digit area code in the coding grid, and the effective date of the correction in the space provided.

Distribution of Forms BT-1047

Original—Headquarters Registration

Duplicate—District file

4. ☐ Change should not be made because

When a proposed change is sent to the district by Headquarters and further investigation shows the change should not be made, check the box next to 4, and enter the reason in the space provided.

When Form BT-1047 is initiated by Headquarters and sent to the district of action to propose a potential change to an account record, district verification of the proposed change will be made. This prevents a change being initiated by Headquarters without full knowledge and approval of the district in control of the account.

When Headquarters proposes to change an account record, a Form BT-1047 is prepared and sent to the district in duplicate. Section A of the form is completed and the only entry made in Section B is the specific item which Headquarters proposes to change. The reason for the proposed change is checked in Section C. C-7 must also be completed.

District verification of the proposed change might be an examination of the district records or a field investigation. If it is determined the proposed change is to be made, Section C is completed and the appropriate box(s) checked. C-6 must show whether or not returns were furnished to the taxpayer. The original form is returned to Headquarters.

If the district determines that the proposed change should not be made, Section C is completed and the appropriate box is checked. An explanation is entered stating the reason for not processing the change. The original of the form is returned to Headquarters.

5. ☐ Conversion to consolidated, attach BT-400-CS. To regular, attach BT-406-CS

When a sales tax account is changed from a single outlet to multiple outlet account, or changed from multiple outlet to single outlet, check the box next to 5 and enter the effective date in the space provided at the right hand side.

See CPPM 232.000 for information on new consolidated accounts, and CPPM **332.000** for full information on conversions of existing accounts

IMPORTANT!

Local tax will be reallocated based upon the effective date of conversion. Enter the actual date of conversion, NOT the date forms BT-1047 or BT-400-CS are prepared. Be sure to furnish appropriate schedules of sub-locations (Form BT-530-A) for local tax allocation with any returns prepared for the taxpayer.

6. ☐ Furnished to the Taxpayer:**Permit card ☐**

When account maintenance is performed requiring issuance of a new permit card (a permit in the BT-442 series), check this box.

Notice of Prepayment Status Form BT-1241 ☐

Taxpayers whose account is placed onto a Quarterly Prepayment status are furnished Form BT-1241, "Notice of Prepayment Status." Check this box and prepare Form BT-1241 in duplicate. Send the original to the taxpayer at the time prepayment status becomes effective. Staple the duplicate to Form BT-1047 and retain in the district or branch file.

Returns No ☐ yes ☐**Periods** _____

When changes to the mailing address are made which fall near tax return cutoff dates shown on the Calendar of Business Taxes Functions, furnish taxpayer with any appropriate tax returns and, if needed, Form BT-530-A for sub-location local tax, allocation. If none are required, check the "NO." box. Otherwise, check the "YES" box and indicate for which period(s) returns are being furnished.

7. ☐ Basis

Place the alpha character (M, Q, Y, F, O, X) for the account's present reporting basis OD this line. **An entry must appear in this section for all transactions.**

SECTION D, REASON FOR TRANSFER**310.050**

Before processing a Form BT-1047 for an interdistrict move, review the account to be sure the account is active and sales are being reported. If no sales have been reported for an extended period of time (one year or more) a close-out should be initiated, the taxpayer informed of the close-out and the seller's permit retrieved if possible. Paperwork for an interdistrict move should not be prepared or processed if known the account will be closed out.

1. ☐ As of _____**☐ Sales Tax****☐ Use Fuel****☐ Vendor****☐ Certificate of Registration Use Tax****☐ Consumer Use Tax****☐ Other** _____

This section is used to transfer a single location seller's permit, use tax, or use fuel tax account between districts. Do not use this section to transfer or move an account within the same district, including between branches of the same district.

Enter the effective date of the move to the new business location on the line following "As of." Next, check which type of account is being moved to the new district of control.

Check "**☐ Other** _____" when moving other types of accounts not listed, such as "SG" Gasoline Pre-collection Accounts.

Note: When moving the master location of a consolidated account between districts, do not use or check boxes in this area. Use 2., "Master Location – consolidated account moved to another district"

2. [] As of _____ Master location — consolidated account moved to another district. Duplicate BT-1047 for move of sub-permits attached.

This section is used to transfer the master location of a consolidated seller's permit (tax codes "SX", "SY" and "SZ") between districts. Enter the effective date of the move to the new business location on the line following "As of."

Special Procedure for "SX" Consolidated Accounts

When moving the master location of an "SX" consolidated account, a second BT-1047 is required to change the office of control for sub-locations. Attach a RG 2 video printout of all sub-locations to the second Form BT-1047.

Complete Section A, and enter the new master office in Section B.1. In the "REMARKS" section, place the word "Subs."

Note: No duplicate BT-1047 is required to move sub-permits for "SY" and "SZ" accounts. Form BT-1047 will be corrected at the next printing to reflect this change.

TO: _____ Send the master file and all pertinent documents

When a district other than the district of control wishes to have an account transferred to another district, Form BT-1047 is prepared in triplicate. After the "TO:", enter the district where the file is presently located. For instance, if the DHF — Merced office prepares Form BT-1047 to transfer a file from KHC — Modesto to DHF — Merced, the person in Merced preparing the form will enter "KHC — Modesto" on this line and forward the completed form to Sacramento District.

Distribution of Forms BT-1047

Forward the original and duplicate copies to the old district, requesting file and related material be sent to the new district. The old district will complete the Form BT-1047 and the entries in Section A of the form will be verified with the registration record for accuracy, then forward the original of the form to Headquarter Registration. The duplicate is returned to the new district together with the requested file material.

TO: _____ Attached is master file and documents identified below

When the master district (district of control) wishes to transfer an account to another district, Form BT-1047 is prepared in triplicate. After the "TO:", enter the district where the file is to be sent. For instance, if the KHC — Modesto office prepares Form BT-1047 to transfer an account from KHC — Modesto to DHF — Merced, the person in: Modesto preparing the form will enter "DHF — Merced" on this line and forward the completed form to Sacramento District.

Distribution of Form BT-1047

The old district will acquire all of the additional information necessary for the new district by telephone and complete Form BT-1047 in its entirety. The old district will forward the original Form BT-1047 to Headquarters. The file, including all district documents is attached to the second copy of the Form BT-1047 and is forwarded to the new district. The file should be purged of old and/or extraneous material prior to mailing. The third copy of the form is kept in the old district.

Security

Before transferring an account with security, review the account to see whether security is still required. If security is no longer required, process a refund or notification of non-renewal (Form BT-168 B) for surety bonds.

SECTION D, REASON FOR TRANSFER**(CONT). 310.050**

Accounts which are being transferred to another district of control and for which security deposits will continue to be required, must have security records transferred to the new district.

Check the type(s) of ACTIVE security deposit(s) on file for the account. For surety bonds, also enter the bond number and name of bonding company. On the DESCRIPTION line enter the date(s) of all Forms BT-487 and amount of security they represent. For time certificates of deposit, savings and loan certificate or credit union share accounts pledged as security, the former district of control must remove all security documents from security document storage files and forward the documents with the master file to the new district of control.

Upon receipt at the new district of control security documents will be removed from the master file and placed in security document storage files.

Billings

When an account is being transferred to another district of control, enter data about the accounts receivable balance in this section. Attach all collection notes to the file and forward with any billing documents to the new district.

Note: Administrative responsibility for collection of the balance will be transferred to the new district. Both former district of control and the receiving district must exercise sufficient follow-up to ensure the balance has been properly transferred and that collection action continues uninterrupted.

Delinquencies**Revoked Accounts**

Accounts which have revoked may not be routinely transferred between districts in revoked status. Please refer to CPPM **360.071** for specific guidance when moving a revoked account.

Unrevoked Accounts

Enter periods or causes of delinquency.

Note: Administrative responsibility for delinquencies will be transferred to the new district. Both former district of control and the receiving district must exercise sufficient follow-up to ensure the delinquency has been properly transferred and that action to clear the delinquency continues uninterrupted.

SECTION E, NEW PHONES AND ADDRESSES**310.060**

Enter any new residence or business phones, and new residence address which may have resulted from transactions being performed.

OFFICE, BY, DATE**310.070**

Enter the office designation and/or name (AR – Ventura, FHB – San Marcos and so forth), the name of the person preparing the BT-1047, and the date the form was prepared.

COMPLIANCE POLICY AND PROCEDURES MANUAL

INTERDISTRICT MOVES**311.000****WHAT IS AN INTERDISTRICT MOVE?****311.005**

When an established account moves its business location, or consolidated account moves the location of books and records, to a place within the physical boundaries of another Board of Equalization district, administrative responsibility for the account must be transferred to the new Board of Equalization district. The process of transferring this responsibility is an "interdistrict move."

PROCESSING AN INTERDISTRICT MOVE OF ACCOUNT**311.010**

Form BT-1047 is used to make an interdistrict transfer of an account for

- a. Sales Tax, including master locations and sub-locations for consolidated accounts
- b. Consumer Use Tax
- c. Certificate of Registration—Use Tax
- d. Use Fuel Tax
- e. Vendor Use Fuel Tax
- f. Gasoline pre-collection (.SG accounts)

Before processing a Form BT-1047 for an interdistrict move the account should be reviewed to see if the account is active and if any sales are being reported. If no sales have been reported for an extended period of time (one year or more) a close-out should be initiated, the taxpayer informed of the close-out and the seller's permit retrieved if possible. Paperwork for an interdistrict move should not be prepared or processed if known the account will be closed out.

Form BT-1047 is prepared in triplicate and can be initiated by either the old or new district. Only the original is transmitted to Headquarters.

The account file and folder and all related documents are forwarded to the new district.

The box "Notice of Interdistrict Transfer" is checked and the form sections completed as follows:

- Section A. Enter the owner name and account number as it shows on the record.
- Section B. The only entries made in Section B are those which represent changes to the account record.
- Section C.6. Complete applicable parts
- Section C.7. Enter reporting basis (M, Q, Y, F, O, X)
- Section D.1. Enter the date of the transfer and check the box identifying the type of account. If a prepayment account, check the box designated "Other" and enter "Prepayment" on the line following and check the "Sales Tax" box.
- Section D.2. Interdistrict transfer of a master location-consolidated account. This box is checked and the date of move is entered in the space provided. If the former master address was also a sale outlet which is discontinued, a Form BT-406-CS is prepared to close out that sub-permit. If the new master address is a new sales outlet, Form BT-400-CS is prepared to establish the new permit. A Form BT-400 is not required to change the master location of a consolidated account.

When the master location of a consolidated account is moved to another district, the master district identifier on sub-permit records will simultaneously be changed by the mainframe computer the new master district.

- Section E. Enter applicable information.

July 1990

Distribution of Forms BT-1047 for Interdistrict Transfer of Account**Old District**

When the old district initiates the Form BT-1047, all of the information regarding security, billings and delinquencies is entered in Section D. If there is no security or billing or delinquency of record, "none" is entered under each respective heading. Section C.6 is completed to show whether or not returns were furnished to the taxpayer. Section C.7 is completed to show basis. New address and telephone information is entered in Section E.

The old district will acquire all of the additional information necessary for the new district by telephone and complete Form BT-1047 in its entirety. The old district will forward the original Form BT-1047 to headquarters. The file, including all district documents, is attached to the second copy of the Form BT-1047 and is forwarded to the new district. The file should be purged of old and/or extraneous material prior to mailing. The third copy of the form is kept in the old district.

New District

Where the new district initiates a Form BT-1047, the original and duplicate copies are forwarded to the old district, requesting file and related material be sent to the new district. The old district will complete the Form BT-1047 and the entries in Section A of the form will be verified with the registration record for accuracy, then forward the original of the form to Headquarters Registration. The duplicate is returned to the new district together with the requested file material.

Sections C.6, C.7 and E are completed when information is available.

The new district, upon receiving the folder and related material accompanying Form BT-1047, reviews folder contents (if warranted), and files the folder on open shelf district files.

DECISION TABLE — SINGLE OUTLET CODE**311.011**

for

Area Code, Local Test Code, Tax Program, Office Code

CONDITION	A	B	C	D	E	F	G	H
Auctioneer, OR Construction Contractor	Y	Y						
Itinerant Vendor OR Vending Machine Operator			Y	Y				
Sellers who purchase ex-tax for use at locations not requiring permit					Y			
Out-of-State seller with in-state business address *						Y	Y	
Seller located in fringe area *							Y	Y
Out-of-State or fringe area seller with NO in-state business address								Y
Local tax LESS than \$600 per year		Y						
Large scale business with installations in 2 or more counties			Y					

ACTION	A	B	C	D	E	F	G	H
Enter Tax Program "SS"	X1		X1		X1		X1	X1
Enter Tax Program "SR"		X1		X1		X1		
Third through fifth digits of AREA CODE are "-999"		X2		X2			X2	X2
Area code to in-state business location	X2		X2		X2	X2		
Use office code of OH, OHA, OHB, or OHC						X3	X3	X3
Use office code of fringe area office						X3	X3	X3
Use office code of in-state office with administrative responsibility for business address						X3	X3	X3

* See map of District OH Areas of Responsibility, CPPM 250.100

** See map of Fringe Areas, CPPM 250.110

Additional guidance for accounts with books and records out of state or in fringe areas may be found in CPPM 250.060 and 250.070.

OUT-OF-STATE ACCOUNTS — SINGLE OUTLET**311.012****OUT-OF-STATE ACCOUNT**

Sales and Use Tax Account

Single Outlet

When it is determined that books and records sufficient for audit purposes are located out of state under the control of the taxpayer, use the following decision table as a guide to determine proper tax program code, office code, and area code for single outlet accounts.

CONDITION	A	B	C	D	E	F
Single outlet with in-state business address	Y	Y	Y	Y		
Single outlet with out-of-state business address					Y	Y
Special Seller			Y	Y		
Books and records located in FRINGE AREA		Y		Y		Y

ACTION	A	B	C	D	E	F
Enter tax program SR or ST if temporary	X1	X1				
Enter tax program SS			X1	X1	X1	X1
Use "59-999" as first five digits of area code					X2	X2
Area code to in-state business address	X2	X2	X2	X2		
Office code to Out-of-State District or Branch (OH, OHA, OHB, OHC)	X3		X3		X3	
Office code to fringe area district or branch						X3
Office code to in-state location		X3		X3		

**BT-1047, REINSTATEMENT OF
ACCOUNTS CLOSED OUT IN ERROR****312.000****REINSTATEMENT AFTER CLOSE-OUT IN ERROR,
PREPARATION OF FORM BT-1047****312.010***NOTE:*

No other processes may be performed on the same BT-1047 used to reinstate an account from closeout in error. If additional functions are to be performed, a second Form BT-1047 must be used. This would include functions such as a reinstatement from closeout in error and interdistrict transfer, or reinstatement from closeout in error and conversion.

When Form BT-1047 is prepared to reinstate an account closed-out in error, the box is checked at the top of the form and the close-out date from the video is shown in the space provided.

Complete Sections A, C6, C7, and E

For charges to the account record, an additional BT-1047 is required. This would include entries made in Section B to change or correct the record as it existed at the time of close-out. Complete Section C.6 to show whether taxpayer was furnished with any returns, and Section C.7 to show reporting basis.

The reinstatement of a sales tax, use fuel or vendor use fuel tax account closed out in error plus an interdistrict move is done in the following steps:

- a. If initiated in the old district:
 1. Form BT-1047 is prepared to reinstate the account and processed.
 2. Another Form BT-1047 is prepared to effect the interdistrict move.
 3. Attach the two forms and forward to Headquarters for processing.
- b. If initiated in the new district:
 1. Form BT-1047 is prepared to reinstate the account.
 2. A second Form BT-1047 is prepared to effect the interdistrict move.
 3. Both Forms BT-1047 are forwarded to the old district.
 4. The old district attaches both original BT-1047 forms together and forwards both to Headquarters Registration for processing.
 5. The file is then transferred to the new district in the manner described in CPPM 311.025.

COMPLIANCE POLICY AND PROCEDURES MANUAL

BT-1047 AND BT-777, CHANGES TO REPORTING BASIS**313.000****OVERVIEW OF CHANGES TO REPORTING BASIS****313.005**

Changes in the tax volume of an account will sometimes require a reporting basis change. For example, accounts which report in excess of \$17,000 taxable sales per month must be placed onto Quarterly Prepayment reporting basis.

Accounts which have historically been collection or compliance problems may also be placed onto a different reporting basis so the district may exercise better control over the account. For example, an account on quarterly prepayment basis which routinely fails to file prepayments as required, may be changed to a monthly basis. **Reporting basis changes from prepayment status for any reason must be accompanied by a memorandum from the District Administrator or designee explaining the need for the change.**

Three different methods to change a reporting basis are used by the Board:

1. Mass Change, by which a mainframe computer program analyzes tax volume for all accounts and makes changes based upon existing reporting basis and the reporting basis required for the reported tax volume. Districts may also submit a list of accounts to be included in mass changes of reporting basis which occur at specified window periods during the year.
2. BT-777 used at field offices to make all reporting basis changes except from quarterly to quarterly prepayment and vice-versa.
3. BT-1047, used to add or delete prepayment basis to a quarterly account.

FACTORS TO CONSIDER WHEN CHANGING REPORTING BASIS**313.006**

Six factors must be considered before processing a reporting basis change:

- a. The reporting basis change decided upon for a particular account (e.g., monthly to quarterly).
- b. The calendar date on which the decision was made to change the reporting basis (e.g., February 19).
- c. The last return or returns received or filed by the taxpayer on the old reporting basis (e.g., January).
- d. The effective date for the new reporting basis (e.g., April 1).
- e. The dates during which the change to the new reporting basis may be processed (e.g., March 20 to April 10).
- f. The law — should the account be on prepayment status? (See Subsection **313.005**).

REPORTING BASIS CHANGES POSSIBLE**313.007**

The following reporting basis changes are possible for sales and fuel user's tax accounts using Form BT-777, Notice in Reporting Basis. "Fiscal yearly" refers to the period starting July 1 and ending June 30.

Monthly to Quarterly
 Monthly to Yearly
 Monthly to Fiscal Yearly
 Quarterly to Monthly
 Quarterly to Yearly
 Quarterly to Fiscal Yearly

Yearly to Monthly
 Yearly to Quarterly
 Yearly to Fiscal Yearly
 Fiscal Yearly to Monthly
 Fiscal Yearly to Quarterly
 Fiscal Yearly to Yearly

EFFECTIVE DATES OF CHANGE IN REPORTING BASIS**313.008**

All reporting basis changes become effective the first day of the quarter. Four effective dates are possible in one year: January 1, April 1, July 1, and October 1. These dates are also used when assigning the "O" ("exempt") reporting basis code to a use fuel account which has been granted an exemption from filing returns but requires a permit for payment of the annual flat rate fuel tax.

Headquarters will always mail the taxpayer the last return due under the old reporting basis prior to the effective date for the new basis, with this exception:

- When the reporting basis of an account is changed from yearly to monthly or from yearly to quarterly and the effective date is other than January 1. The district must furnish the taxpayer with a return for the expired portion of the year up to and including the last day of the month which precedes the effective date for the new basis. The tax return for the expired portion of the year is due and payable on or before the last day of the month in which the new reporting basis becomes effective.

When the reporting basis of an account is changed from quarterly to monthly and Form BT-777 is transmitted to Headquarters after the dates shown on the yearly schedule for furnishing tax returns to taxpayers, the first return due under the new basis is mailed with the taxpayer's copy of Form BT-777.

PROCESS DATE WHEN CHANGING REPORTING BASIS**313.009**

The district may decide any time that a reporting basis for an account should be changed, and may prepare a Form BT-777 at any time. Generally Form BT-777 is mailed to the taxpayer for official notice of the change, and to Headquarters to change the account record only during the window periods set forth below:

<u>EFFECTIVE DATE OF NEW REPORTING BASIS</u>	<u>Window Period</u>	<u>Window Period</u>
	<u>Starting Date</u>	<u>Ending Date</u>
April 1	March 20	April 10
July 1	June 20	July 10
October 1	September 20	October 10
January 1	December 20	January 10

Exceptions may be made if deemed necessary for better control of a problem account. Form BT-777 may be sent to Headquarters at a time other than that in the schedule if accompanied by a letter from the District Principal Compliance Supervisor briefly explaining reasons for the requested change.

PREPARATION OF FORM BT-777**313.010**

To change a reporting basis, other than from quarterly to quarterly prepayment or quarterly prepayment to regular quarterly, Form BT-777 is used. Form BT-777 notifies the taxpayer of the change and the effective date of the change. The forms are prepared in triplicate. When completed, distribution is as follows:

Original

Mailed or given to taxpayer. Original explains when the first return is due under the new reporting basis and when the last return is due under the former basis.

First copy

Sent to Headquarters Registration to change account record.

Second copy

Retained in field office master file.

The complete account number, name and address of the taxpayer is typed on the form. The name and address portion is placed to fit a window envelope used to mail the taxpayer's copy.

When Form BT-777 is prepared by the district during the window period during which the form may be transmitted to Headquarters, review the form for accuracy against the registration record. Mail the taxpayer's copy (original) to the taxpayer, and forward the Headquarters copy to Registration.

For Forms BT-777 prepared at times other than window period during which the form may be transmitted to Headquarters, all copies are held at the field office until the first day of the window period. On the first day of the window period, review the form for accuracy against the registration record. Mail the taxpayer's copy (original) to the taxpayer, and forward the Headquarters copy to Registration. In all cases, the release of the taxpayer's copy will coincide with the transmittal of the Headquarters copy.

When an account is changed from a quarterly or monthly reporting basis to a yearly or fiscal yearly reporting basis, enclose a copy of Form BT-400-Y, Important Reminder for Accounts on a Yearly Basis, with Form BT-777. Yearly accounts changed from yearly to quarterly or monthly basis with an effective date other than January 1, must be furnished with a partial-year return. Fiscal-yearly accounts changed from fiscal-yearly to quarterly or monthly basis with an effective due other than July 1 must be furnished with a partial fiscal-year return.

A coding grid at the bottom of Form BT-777 is used to make changes to the registration record. The alpha code (M, Q, Y, F, O, X) for the new reporting basis is always entered. Additional entries may be made in any non-shaded space in the grid to charge or correct an account record item.

PREPARATION OF BT-777 FOR PREPAYMENT STATUS**313.011**

Form BT-777 may be used to change an account from monthly, yearly, or fiscal yearly basis to quarterly prepayment status. When preparing Form BT-777, place "Q" in the "Basis" box in the coding grid, and place the digit "1" or "3" in the space designated "Special Return Processing Code"; see CPM 313.020. Prepare Form BT-1241-C, Notice of Prepayment Status, in duplicate. The original is given to the taxpayer and the duplicate retained in the district.

Initial the box on the Headquarters and district copies of Form BT-777 to indicate the taxpayer has been notified in writing of the change to prepayment status.

MASS CHANGE OF REPORTING BASIS**313.012**

Mass changes of reporting basis are used to change the reporting basis on many accounts without preparation of individual Form BT-777. Two separate processes are involved:

1. Headquarters notices of accounts selected for change using the mainframe; and
2. Field office lists of numerous accounts for basis change.

Headquarters Notices of Accounts Selected for Change

Payment records are compared by the mainframe periodically and change to the reporting basis made for accounts which fall within certain criteria. Once the changes have been identified a listing of affected accounts will be sent to the district of control.

<u>Payment Record Shows</u>	<u>Change Made ...</u>	<u>To</u>	<u>Effective</u>
— Monthly sales tax accounts reporting \$120 to \$3,000 tax per year	March of even years	Q	July 1
— Yearly accounts reporting over \$800 tax per year	Every April	Q	January 1
— Accounts reporting no sales or tax	Every April	Close out or extend	
— Monthly sales tax accounts reporting less than \$200 tax per year	October of odd years	Y	January 1
— Quarterly sales tax accounts reporting less than \$200 tax per year	October of odd years	Y	January 1
— Monthly and quarterly fuel users tax accounts reporting less than \$200 per year	October of even years	Y	January 1
— Monthly fuel users tax accounts reporting \$200 to \$1,200 tax per year	October of even years	Q	January 1
— Quarterly fuel users tax accounts reporting more than \$1200 tax per year.	October of even years	M	January 1
— Prepayment basis review year	December each or delete prepay	Add	January 1

District Initiated Mass Change of Reporting Basis

Districts may request a mass change of reporting basis for multiple accounts in the manner detailed below.

IMPORTANT

Yearly accounts: All mass changes must have an effective date of January 1.

Prepayment, fiscal yearly, or special reporting basis accounts: Mass change procedures may not be used.

No other changes to the accounts' records may be made via mass change of reporting basis processes.

These changes require use of Form BT-777 or BT-1047.

1. Separate listings must be prepared for each new reporting basis i.e. monthly, quarterly or yearly.
2. Fuel accounts must be changed on separate lists. Do not mix sales tax and fuel user tax accounts.
3. Lists must be legible. Type or neatly print the full account number SR ARD 15-654321.
4. Check account number against current registration information appearing on the video to ensure information given is correct.
5. Lists must arrive in Registration only during the window periods shown below. Lists received after the window period will be returned unprocessed, to the originating district.

Effective Date of Change	List Must be Received in Registration	
	<u>Start</u>	<u>End</u>
April 1	March 1	March 10
July 1	June 1	June 10
October 1	September 1	September 10
January 1	December 1	December 10

Headquarter will mail notices of changes to taxpayer and furnish a list in terminal digit order by branch to the district of control.

Consolidated accounts included in a mass change do not require a Form BT-1047 for sub-permits.

PREPARATION OF BT-1047 FOR PREPAYMENT STATUS

313.013

Form BT-1047 is used to change an account already on quarterly basis to prepayment status. Place the digit "1" or "3" in the space designated "Special Return Processing Code"; see Subsection **313.020**. Prepare Form BT-1241-C, Notice of Prepayment Status, in duplicate. The original is given to the taxpayer and the duplicate retained in the district.

Complete Section C.6 to show Form BT-1241-C and returns (if required) were furnished to the taxpayer, and enter the reporting basis in Section C.7.

DELETION OF PREPAYMENT STATUS EFFECTIVE JANUARY 1

313.015

If an account which qualifies for quarterly prepayment reporting basis is changed to monthly reporting basis with an effective date of January 1, subsequent automatic review may change the basis back to quarterly prepayment. Districts will need to continuously monitor accounts which must be kept on monthly basis in spite of taxable sales.

For instructions regarding a change to a fiscal or special reporting basis, see Subsection **313.020**.

CHANGES TO SPECIAL REPORTING BASIS — FORM BT-1047**313.020**

An account may be changed to a special monthly, quarterly, or yearly reporting basis when returns are to be filed for other than normal calendar periods or fiscal year. If a request is received and approved by the district, Form BT-1047 is used to request the change. The entries made in Section B are in the coding grid. Under “Exception Code” enter 99990. In the “Special Return Processing” block enter “2”. If a sales tax account is on a prepay reporting basis, the entry in this space is “3”.

An entry in Section C explains the change requested and shows the schedule of reporting periods. If more space is needed, attach a separate schedule. The Form BT-1047 is sent to Headquarters Registration. If the request from the taxpayer is received by Headquarters, Headquarters Registration will prepare and process a Form BT-1047.

To change from a special to a normal basis, enter the word “delete” in the blocks entitled “Exception Code” and “Special Return Processing Code”. If a sales tax account is on a prepay reporting basis, the digit in the “Special Return Processing” block is “1”.

Headquarters will notify the taxpayer of the effective date when establishing a special reporting basis.

CHANGES TO WEEKLY REPORTING, VENDOR USE FUEL TAX — BT-1047**313.030**

Vendors of fuel who file weekly returns may be changed to regular monthly basis. Prepare Form BT-1047 to remove the special return processing code from the account record. Enter “delete” in the “Special Return Processing Code” box in the coding grid.

The effective date of the change must be the first day of the month and is entered in the space provided for remarks. When the final weekly return includes days in two months, instruct the vendor to include only sales made up to the effective date of change.

CHANGES TO SPECIAL REPORTING BASIS, USE FUEL TAX**313.035**

If a fuel user who was exempt from filing returns no longer qualifies because of a changed method of operation, Form BT-777 is prepared to assign a regular reporting basis, change the business code and change the tax code. Enter the account number showing the new tax code (“FR” or “FS”).

Entries are made in the coding grid to assign the proper reporting basis and business code. Returns must be filed for the period(s) of non-exempt operation which occurred prior to assignment of a regular reporting basis.

When the user requests an exemption from filing returns for an account already on a regular basis Form BT-1047 must be prepared. The reporting basis code “0” and business code “90” are entered in the coding grid. Change the tax program to “FC”¹. Transmit the completed form to Headquarters Registration only during window periods shown in the schedule provided for processing changes of reporting basis (See Subsection **313.009**). No Form BT-777 is required.

¹ “FR” and “FS” accounts may not be placed on exempt basis.

REPLACEMENT OR REISSUANCE OF PERMITS**320.000****GENERAL GUIDES FOR REPLACEMENT OR REISSUANCE OF PERMITS****320.010**

Good judgment must be exercised in determining whether a new permit or certificate should be issued. If a taxpayer requests a new permit or certificate because of an error in his present permit or certificate, such as in the spelling of a word or the number of the street address, a new form should be issued. If our staff initiates action to make a minor correction on the account record, such as a misspelled street name or owner name, a permit or certificate need not be issued. When there is a change of business address for a user (use fuel tax), a new permit or certificate need not be issued. When there is a change of business address for a user (use fuel tax), a new permit is not issued except upon request by the taxpayer. When a permit is issued at the request of a taxpayer, some documentation must be placed in the taxpayer's file maintained in the district.

A new permit or certificate form should be issued whenever an owner's name is changed by marriage or court order. It should be issued to replace a lost permit or certificate. New seller's permits for sub-outlets will be issued when there is a change in master location of a consolidated account between districts. A new permit need not be issued to a sub-outlet of a consolidated account when a minor correction is made to the account number such as the tax code or branch office code.

SELLER'S PERMITS**320.020**

The following list of circumstances show the action to be taken for the re-issuance or replacement of seller's permits:

- a. Permit replaced or reissued.
 1. Change in business address interdistrict or intra-district move (BT-1047)
 2. Reinstatement after revocation with a change of business address (BT-400)
 3. Reinstatement after close-out in error with or without a change in business address (BT-1047)

Note Permit need only be reissued when deemed necessary
 4. Change in a boundary of a district or subdistrict (BT-1047 and list of accounts)
 5. Certain corrections to account records as follows:
 - Owner's name
 - business address
 - account number (BT-1047)

Note: If the only change is to the tax program, re-issuance of the permit is not necessary.
- b. Permits will not be replaced or reissued under the following circumstances:
 1. Annexation or incorporation (BT-1047 and list of accounts)
 2. Conversion or one or more single outlet accounts to sub-permit status under a consolidated account (BT-400 CS)
 3. Change of DBA
 4. Decennial reapportionment resulting in creation, change or deletion of an administrative Board district.¹

¹ This process occurs every 10 years and generally affects tens of thousands of accounts

CERTIFICATE OF REGISTRATION — USE TAX

320.040

A Certificate of Registration — Use Tax permit may be replaced or reissued under the following circumstances:

- a. Change of business address (BT-1047)
- b. Reinstatement after close-out in error (BT-1147)
- c. Conversion of a regular sales tax account to a Certificate of Registration — Use Tax account (BT- 400-U and BT-1047)

USE FUEL TAX PERMITS

320.050

Whenever corrections to the account record such as owner's name, and account number are made, a replacement permit form will be issued.

Do not reissue the permit for a reinstatement after revocation.

VENDOR USE FUEL TAX PERMITS

320.060

Vendor use fuel tax permits are replaced when there is a change in the owner's name business address, or account number.

BT-1047 CODING GRID ENTRIES**328.000****OVERVIEW****328.005**

Coding grids on Forms BT-1047 are identical to application forms in the BT-400 series.

Coding grids on Forms BT-1047 permit placement of information into alphanumeric characters for entry onto the mainframe.

Subjects within this subsection are discussed in the same order they appear across the coding grid.

BASIS CODES**328.010**

Changes to basis codes are permitted only at certain times through the year, and on Form BT-1047, only addition or deletion of prepayment status may be made, or, for fuel accounts, changing an account to an exempt reporting basis in conjunction with a change of tax code and business code.

BUSINESS CODE**328.020**

Business codes are extremely important to the Board's compliance, audit and administrative programs. The importance of accurate coding cannot be overemphasized. See the Business Taxes Code Book for an index of business codes.

VERIFICATION OR CORRECTION OF**BUSINESS CODE — CODE 29 ACCOUNTS****328.021**

A separate code, 29, has been established for most part-time permittees. An account determined to be "part-time" (See CPPM 225.022) uses "29" regardless of the type of business. Some businesses classified as part-time may develop into full-time operations, or the sales volume may become high enough to justify a change to a full-time code. This ensures placement of these accounts in the proper audit cell.

Whenever an office takes action on, or has occasion to review, a Code 29 account, special attention should be given to the possibility that the account should have a full time business code. This may be indicated by the fact that there are large deductions for resale, the account is on prepayment status, the annual gross receipts are \$20,000 or more, etc. Such accounts should be referred to the field office of control.

In addition, cell lists should be reviewed for Code 29 accounts, including cell 16. All accounts identified should be checked for possible immediate change to the proper business classification code, even if the business is still actually operated on a part-time basis.

AREA CODE**328.030****Sales and Use Taxes**

Area codes are used by the Board to distribute local taxes to appropriate jurisdictions and as a basis for developing statistical data. An index of area codes may be found in the Business Taxes Code Book and in the Uniform Local Sales and Use Tax Section of the Business Taxes Law Guide.

The area code is composed of twelve digits:

- The first group of five digits consists of a two digit county code followed by a three digit code denoting city or unincorporated area of each county.
- The second group is a three-digit code identifying any “add-on” special taxing jurisdictions in which the account may be located.
- The third group is a four digit code representing “In Lieu” areas such as redevelopment agencies.

Groups two and three will consist of zeros for locations not within special taxing jurisdictions or redevelopment areas.

For example, Huntington Park might show an area code of 19018–005–0001, broken down as follows:

19 018	005	0001	
County Code	City Code	“Add-On” code	“In-Lieu” code
See See	See		
Code Book	Code Book	Code Book	
110.050	110.065	110.070	

a. **CITY AND COUNTY CODES**

Under provisions of the Bradley-Burns Uniform Local Sales and Use Tax Law, the Board of Equalization contracts with local taxing jurisdictions (cities, counties) to collect the local portion of the sales and use tax and remit these amounts to the local entities.

Every city and county has been assigned a five-digit code for local tax allocation purposes. The first two digits from 01 to 58 identify the individual county in California. Code 59 identifies all counties collectively for statewide allocation. Code 59 followed by “999” signifies local tax is proportionately allocated to all counties. The last three digits in the five-digit code indicate the specific taxing jurisdiction to receive the local tax. If the local tax is to go exclusively to the county by the first two digits, the final three digits will be 998. If the tax is to be apportioned among the county and all local tax jurisdictions within the county indicated by the first two digits (countywide allocation), the final three digits will be 999.

In almost all cases where the final three digits of an area code are between 001 and 997, the local taxing jurisdiction is an incorporated city. The exception is when an individual code has been assigned for statistical purposes to an unincorporated area tentatively designated a city. A business located in this area would not be within city limits.

TC (tentative city) designations identify specific areas in unincorporated county territory so local authorities may receive information from the Board as to the amount of local tax revenue that would be allocated to the specific area should it become an incorporated city. Areas identified with TC (tentative city) area codes cannot be within any city limits. Area codes for consolidated accounts will be explained in Section 232.060 et. seq.

b. ADD-ON CODE

The “add-on” portion of the area code identifies special taxing jurisdictions (formerly called “Transit Districts.”) for which an additional (or acted-on) transactions (sales) and use tax is assessed such as BART and SCTA. These positions of the area code consist of zeros for selling locations not in special taxing jurisdictions. Numeric “add-on” codes within the area code replace the former alpha Special Taxing Jurisdiction Identifier on January 1, 1986.

See Exhibits A and B at the end of this subsection for further discussion of Special Taxing Jurisdiction identifiers.

c. IN-LIEU CODE

The “In-Lieu” portion of the area code identifies local redevelopment agencies which receive their share of the local tax directly from the Board rather than through the county or city. These positions of the area code consist of zeros for locations not within “in-lieu” redevelopment areas. The codes for each “in-lieu” area are consecutively numbered as each new redevelopment area contracts to have the Board administer the ordinance.

In-lieu codes may be found in Business Taxes Code Book section 110.71.

d. CONSOLIDATED ACCOUNTS

For consolidated accounts, the allocation system will take information from expanded tax area codes on each sub-location.

Types of Consolidated Accounts

1. All sub-locations within the same area code, add-on code, and in-lieu code (all area codes for sub-locations are identical):
 - Use “SX” tax program
 - master permit will carry the same tax area code as its subs
2. Different sub-location area codes, add-on codes, or in-lieu codes exists:
 - Use “SY” (or if special seller, “SZ”) tax program
 - “add-on” and in-lieu codes will be assigned to each selling location (sub-permit) according to its specific business location.
 - city portion of the area code for the master permit will be “000”
 - if no sub-locations located within a special taxing jurisdiction use “000” for the master location “add-on” code; or,
 - if one sub-location is located within a special taxing jurisdiction, also use the “add-on” code for that specific sub-location as the master location “add-on” code; or,
 - if the two or more sub-locations are located within different special taxing jurisdictions, use “997” as the master location “add-on”
 - the master permit will have the “in-lieu” code of “0000” regardless of how many in-lieu codes
 - may be involved on sub-permits for the account.

See Section 232.000 for more detailed instructions on consolidated accounts. See Section **332.000** for detailed instructions on how to prepare Forms BT-1047, BT-400-CS and BT-406-CS for conversion to and from consolidated status.

AREA CODE

(CONT.) 328.030

Use Fuel Tax Programs

Use Fuel Tax monies are not subject to local tax allocation, but area codes are assigned to keep Use Fuel mainframe programming compatible with other Business Taxes programs. For instate accounts the first two digits of the area code represent the county in which the user is registered. The remaining digits are always "0".

For out of state (including fringe areas) use fuel tax accounts the first two digits are always "60". The next two digits identify the specific state in which the account is located.

An index of use fuel tax area codes appears in Section 120.00 of the Business Taxes Code Book. The four digit codes are expanded to 12 digits by adding trailing zeros to agree with sales tax area code format.

ORIGINAL STARTING CODE**328.040**

Make no entries in this space. Form BT-1047 may not be used to change a starting date; use Form BT-523 to charge or correct a starting date. This space will be shaded at the next printing of Form BT-1047.

OWNER CODE**328.050**

Enter the owner code which agrees with "type of organization entry as determined in Section 225.080. Coding grid entries must agree with the entry made in the "type of organization".

In the case of a fiduciary ownership, the code entered indicates the legal status of the fiduciary, for example, Est. of Allen Widmeyer, Sandra Squaglia, Trustee would be shown as Other (Fiduciary), owner code entry "O". Corporations where a fiduciary is involved are also coded "O".

The coding grid entry must agree with the information entered under "owner(s)". The code must agree with "type of organization" unless a partnership including a corporation as a general partner is involved.

Exceptions:

When a corporation is a general partner in a partnership, treat the ownership as a corporation; use "C" as the coding grid entry.

When a corporation is a limited partner in a partnership, treat the ownership as a partnership; use as the coding grid entry.

Ownership Type	Coding Grid Entry
Sole Proprietor	S
Partnership	P
Husband & Wife Co-ownership	M
Corporation	C
Other	O

The following changes may not be made with Form BT-1047:

- addition or deletion of a general partner
- incorporation of an account
- change of tax program from fuel to sales/use tax and vice-versa
- change of tax program from temporary (tax code "ST") to regular
- change of start date
- change of ownership after taxpayer has filed first return, such as from individual to partnership

Each of the situations above, except the change of start date, requires closeout of the permit and issuance of a new permit. Use Form BT-523 to change the start date.

ACCOUNT ANALYSIS

328.060

Sales Tax Accounts

Sellers of Motor Vehicle Fuel (gasoline) will be identified with a "G" in the account analysis box. This entry flags gasoline sellers so they receive separate sales tax Forms BT-401-GS.

Use Fuel Tax, Use Tax Accounts

The Account Analysis section is not used. Make NO ENTRIES in the Account Analysis Code for Use Fuel and Consumer Use Tax accounts.

HQ USE ONLY

328.070

Make no entries in this section. Headquarters Registration, only, uses this section for effective dates.

EXCEPTION CODE: ACCOUNTANTS' MAILING CODE

328.080

General

Returns may be mailed in bulk directly to accountants servicing five or more taxpayers. These accountants are assigned tax return mailing code numbers ranging from 00001 to 99989. Two sets of file cards showing the names and addresses of these accountants are furnished to district offices.

When an accountant is assigned a mailing code number or the mailing address of an accountant already assigned a number changes, districts are furnished new or replacement cards for their accountants' file.

Issuance of Accountant's Code

In order to obtain an accountant's mailing code, an accountant must submit a request showing the name and account number of five or more taxpayers whose returns he/she is to receive, along with a signed authorization from each taxpayer asking that the returns be mailed to the accountant. Form BT-91 (Permittee Authorization to Sent Tax Returns to Accountant) is designed for this purpose, however, a letter from the taxpayer indicating the account number, name and address of the accountant and the mailing code number assigned to the accountant may be accepted in lieu of Form BT-91.

Authorizations taken in the field should be attached to completed permit application forms for new accounts and forwarded to Headquarters Registration Unit. Existing accounts may have the accountant's code and exception code added or changed via remote input.

When the accountant does not have an assigned mailing code number, route completed authorization forms to Headquarters Registration Unit for further action.

Accountant Closes Practice

When Headquarters is notified that an accountant is no longer in business the accountant's code number is canceled and a card is sent to each district showing this information. Each district then removes the active card from its accountant's file and destroys it. At this time the district or branch in which the accountant is located will obtain from the accountant a list of the accounts. All districts of control will be notified of accounts within their area of responsibility, and each will remove or change the accountant's code using remote input.

Accountant Change of Ownership

If an accounting business has a mailing code number and subsequently changes ownership, the new owners may retain the code number if they obtain new authorizations (BT-91 or equivalent) from the clients.

The district may send a single Form BT-1047 Notice to Change Account Record, to Headquarters with a list of accounts and signed authorizations attached.

Explain to both the accountant and the taxpayer that only returns will be mailed to the accountant for an account having the accountant exception code. All other mail will be sent to the mailing address of record for the taxpayer.

An annual listing of names and addresses of permittees whose returns are mailed directly to accountants summarized by accountant mailing code number and district will be provided to field offices for audit selection purposes.

EXCEPTION CODE: RETURNS MAILED TO FOREIGN COUNTRY**328.081**

When the taxpayer furnishes an out of country mailing address, enter 2 in the Special Return Processing Code box, and 99991 in the exception code box (See Decision Table, Subsection **328.086** and Chapter IV, Remote Input Manual).

EXCEPTION CODE: MULTIPLE EXCEPTIONS**328.082**

When an account on a special reporting basis has additional exceptions added to the normal mailing of returns, the special reporting basis exception code "99990" takes precedence and is entered in the space provided. If, in addition to the special basis, returns are to be mailed to a qualified accountant or to a foreign country, attach a memo to the application giving complete mailing information.

SPECIAL RETURN PROCESSING CODE**328.085**

Special return processing codes are used to flag certain categories of accounts for individual processing, and for creation of specific unique returns or reports.

Sales and Use Tax Accounts

Code 1 signifies an account on prepayment status (See CPPM Subsection 229.010).

Code 2 signifies an account with an entry in the Exception Code portion of the coding grid (See CPPM Subsections **328.080** through **328.082**).

Code 3 signifies an account on prepayment status and with an entry in the Exception Code portion of the coding grid (See CPPM Subsections **328.080** through **328.082**).

See Sections **328.086** for a decision table which will assist you to select proper entries under the Sales and Use Tax Law for both the Exception Code and Special Return Processing Code boxes.

User and Vendor Use Fuel Taxes

Code 2 signifies an account with an entry code in the Exception Code portion of the coding grid (See Sections **328.080** through **328.082**).

Code 8 signifies a user of fuel exempt under Section 8655 of the Use Fuel Tax Law.

Code 9 signifies a vendor of use fuel required to file weekly returns.

See Sections **328.087** for a decision table which will assist you to select proper entries under the Use Fuel Tax Law for both the Exception Code and Special Return Processing Code boxes.

**REPORTING BASIS — RELATED CODING GRID
ENTRIES AND ACTIONS, SALES TAX**
328.086

CONDITION	See CPPM	A	B	C	D	E	F	G	H	I	J
REGULAR Monthly, Quarterly, Yearly or Fiscal Yearly		Y	Y	Y	Y	Y	Y				
Special Monthly, Quarterly, Yearly or Fiscal Yearly								Y	Y	Y	Y
AND Returns mailed to: ACCOUNTANT	328.080		Y	Y						Y	Y
FOREIGN COUNTRY	328.081				Y	Y					
AND Taxable transactions are \$17,000 or more per month	229.010, 328.085		Y		Y		Y		Y		Y

ACTION	See CPPM	A	B	C	D	E	F	G	H	I	J
Enter M, Q, Y, or F in BASIS block		X	X1	X1	X1	X1	X1	X1	X1	X1	X1
Enter "99990" in EXCEPTION CODE block	328.082							X2	X2	X2	X2
Enter Accountant Code "00001-99989" in EXCEPTION CODE block	328.080			X2	X2						
Enter "99991" in EXCEPTION CODE block	328.081					X2	X2				
Attach memo with details to application form	328.082									X3	X3
Enter "1" in SPECIAL RETURN PROCESSING CODE block	328.085		X2								
Enter "2" in SPECIAL RETURN PROCESSING CODE block	328.085			X3		X3		X3		X4	
Enter "3" in SPECIAL RETURN PROCESSING CODE block	328.085				X3		X3		X3		X4
Furnish Form BT-1241-C, "Notice of Prepayment Status"	229.010 313.012		X3		X4		X4		X4		X5

**REPORTING BASIS — RELATED CODING GRID
ENTRIES AND ACTIONS, USE FUEL TAX**
328.087

CONDITION	A	B	C	D	E	F	G	H
Vehicle(s) using LPG, LNG, or CNG	Y				Y			
Vehicle(s) using Diesel Fuel		Y		Y				
Private passenger vehicle, commercial vehicle under 7000 lbs, or rented vehicle, 30 days or less					Y	Y	Y	
Bulk storage facilities			Y					
Annual Flat Rate Fuel tax paid, Form BT-512 completed (vehicles using LPG, LNG, or CNG ONLY)					Y			
Vehicle(s) registered and/or base-plated in a state other than California				Y			Y	
Exempt under Section 8655, Use Fuel Tax Law (subject to \$0.01/gallon only)								Y
ACTION	A	B	C	D	E	F	G	H
Assign Tax Program Code "FC"					X1			
Assign Tax Program Code "FR"	X	X	X					X1
Assign Tax Program Code "FS"				X				
Place "90" in Business Code Section					X2			
Assign Reporting Basis Code "0"					X3			
User is exempt from filing returns					X4			
Place "8" in Special Return Processing Code Section								X2
No Permit Required						X	X	

**EXTENSION CODE: PERMANENT EXTENSION OF TIME
GRANTED TO CERTAIN POLITICAL SUBDIVISIONS**
328.090

The entry "30" is made in this space when the taxpayer has been granted a permanent extension of time within which to file each return. This will result in the code "30" appearing in the return heading for identification purposes.

A general one-month extension is granted to all municipalities, school districts and other political subdivisions of this State. The one month blanket extension is also granted to the Department of Finance for all State agencies. Interest will not be assessed against the State agency providing it files its sales tax or use tax claim with the State Controller on or before the due date of the tax return. (See Subsection 535.060).

EXTENSION CODE: CODING TAX RETURNS FOR RETURN REVIEW
328.091

All codes in the extension block, except for the automatic extension Code 30, are exclusively reserved for use by the Return Review Unit and can be assigned only with the approval of a supervisor or Business Taxes Specialist in the Return Review Unit. Form-1047, Notice to Change Account Record, will be used to add or delete the codes.

EXHIBIT A:

CHANGES IN REGISTRATION PROCESS
FOR BAY AREA RAPID TRANSIT (BART)

Bay Area Rapid Transit District (BART) is imposed within three counties: San Francisco City/County, Alameda County and Contra Costa County. Two counties, Alameda and Contra Costa, imposed additional taxes of .50% over and above BART, while San Francisco remained at 6.50%. Prior to April 1, 1989, BART used identifier code "001" on BTCIS registration programs.

BART code "001" was found to be incompatible with the Cash Rewrite Project in Spring, 1989, and three new codes, collectively referred to as "*fractional codes*" for BART were then added: "020" for BART in Alameda County, "021" for BART in Contra Costa County, and "022" for BART in San Francisco City/County.

Procedure Changes for April 1, 1989

Effective April 1, 1989, BART code "001" was no longer acceptable for BTCIS registration purposes in San Francisco; code "022" replaced the old BART code. **This change applied ONLY to registration and return processing.** Account maintenance for BH — San Francisco District sales and use tax accounts, whether by remote input or paper input, used "022" as the add-on code for registration transactions which occur with an effective date on or after April 1, 1989 through March 31, 1990.

Procedure Changes for April 1, 1990

San Francisco City/County voters enacted San Francisco County Transportation Authority (SFTA) in the election of November 7, 1989. SFTA was implemented on April 1, 1990 for an overall tax rate of 7.25%¹. SFTA has a single code of "027", and a BART/SFTA combined code of "028". BTCIS registration and return processing and account maintenance for BH — San Francisco District Office sales and use tax accounts, whether by remote input or paper input, must use "028" as the add-on code for registration transactions which occur with an effective date on or after April 1, 1990.

BART code "001" will continue to be used for audits, field billing orders, form BT-1043-D, BT-523 and other forms upon which Special Taxing Jurisdiction (formerly "Transit District") taxes must be allocated. These forms will ignore BART Fractional Codes entirely.

¹ This amount will be reduced to 7% upon expiration of the Earthquake Relief Fund on December 31, 1990.

EXHIBIT B

NUMBER SERIES PREFIX

Active and Close-out or Superseded

<u>Prefix</u>	<u>Office Originally Issued Series</u>	<u>Tax Programs</u>
00-	Occasional Sales	Use tax ²
01-000001 to 01-899999	Occasional Sales	Use tax ³
01-900000 to 01-999999	Registration	Arbitrary numbers
02-	Excise Tax Division	Cigarette taxes
03	Excise Tax Division	Beer and wine
04	All field offices	User Use Fuel ⁴
05	All field offices	Vendor Use Fuel ⁵
06.	All field offices	Transportation Tax ⁶
07-	Excise Tax Division	MVF Distributor
08-	Excise Tax Division	MVF Broker
09-	Excise Tax Division	MVF Producer
10-	Excise Tax Division	MVF Accts, L.A. Co. only
11-	AA — Hollywood	Business Taxes
12-	AB — Torrance	Business Taxes
13-	AC — Van Nuys	Business Taxes
14-	AD — Downey	Business Taxes
15-	AR — Ventura	Business Taxes
16-	AL — Long Beach	Business Taxes ⁷
17-	AP — Arcadia	Business Taxes
18-	AS — Culver City	Business Taxes
19-	BH — San Francisco	Business Taxes
20-	BB — San Mateo	Business Taxes ⁸
21-	CH — Oakland	Business Taxes
22-	DH — Fresno	Business Taxes
23-	EH — San Bernardino	Business Taxes
24	EA — Orange County	Business Taxes
25-	FH — San Diego	Business Taxes
26-	GH — San Jose	Business Taxes
27-	JH — Santa Rosa	Business Taxes
28-	KH — Sacramento	Business Taxes
29-	MH — Marysville	Business Taxes ⁹
30-	Out-of-State	Business Taxes
31-	Excise Tax Division	Electrical Energy Surcharge
32-	Excise Tax Division	Cigarette Taxes
33-	Excise Tax Division	MVF — Jet Fuel
34-	Excise Tax Division	Insurance Tax
35-	Excise Tax Division	Telephone Taxes
36-	Excise Tax Division	Hazardous Substance Tax
37-	Excise Tax Division	Moore Univ Teleph Tax
38-	Excise Tax Division	Haz Mat. Facility Fee
39-	Excise Tax Division	Solid Waste Disp.

ACCOUNT MAINTENANCE

EXHIBIT B

NUMBER SERIES PREFIX (CONT.)

<u>Prefix</u>	<u>Office Originally Issued Series</u>	<u>Tax Programs</u>
40-	AF — Covina — Foothills	Business Taxes ¹⁰
41-	AM — Modesto	Business Taxes ¹¹
42-	Excise Tax Division	Hazardous Waste Environmental Fee
43-	Excise Tax Division	Hazardous Waste Environmental Fee
44-	Excise Tax Division	Underground Storage Tank Maintenance Fee
50-	Excise Tax Division	Tobacco Products Tax
70-	Excise Tax Division	Beer Vendor
71-	Excise Tax Division	Beer and Wine
72-	Excise Tax Division	Distilled Spirits
73-	Excise Tax Division	Customs Broker
74-	Excise Tax Division	Common Carriers
75-	Excise Tax Division	Interstate ABC Transp. ID
77-	Business Taxes	Gasoline pre-collection
78-	Business Taxes	Gasoline pre-collection
81-	Occasional Sales Unit	Use Tax ¹²
82-	Occasional Sales Unit	Use Tax
84	All field offices	Litter Assessment ¹³
98-000001 to 98-099999	All field offices	Consolidated Accounts ¹⁴
98-100000 on	Out of State District	Fuel Exemption Registration
99-	All field offices	Certificate of Registration — Use Tax ¹⁵

2 When series ran out, prefix "01-" was started.

3 When series ran out, prefix "81-" was started.

4 User Use Fuel Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the "04" prefix, plus leading zeros and the 1 to 6 original digits to make an 8 digit account number.

5 Vendor Use Fuel Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the "05" prefix, plus leading zeros and the 1 to 6 original digits to make an 8 digit account number.

6 Repealed as of July 1, 1973.

7 Office merged into AB — Torrance and AD — Downey in the 1982 reapportionment.

8 Office and branch merged into BH — San Francisco and AR — Ventura in the 1982 reapportionment.

9 Office and branches merged into JH — Santa Rosa and KH — Sacramento in the 1982 reapportionment.

10 Office and branches merged into AC — Van Nuys and APP — Arcadia in the 1982 reapportionment.

11 Office and branches merged into DH — Fresno and KH — Sacramento in the 1982 reapportionment.

12 When the series ran out, "82-" was started.

13 Enacted 1978, repealed in 1979.

14 Consolidated Sales Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the "98" prefix, plus leading zeros and the 1 to 5 original digits to make an 8 digit account number.

15 Certificate of Registration — Use Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the "99" prefix, plus leading zeros and the 1 to 5 original digits to make an 8 digit account number.

EXHIBIT C

ADD-ON CODES FOR SPECIAL TAXING JURISDICTIONS

As of 10/1/90

COUNTY CODE	NAME	ADD-ON CODE	DISTRICT INITIALS, NAME	RATE	EFF. DATE
—	Statewide	033	EQRF—Earthquake Relief Fund	.25%	12/1/89
01	Alameda	011	BART/ACTA Multiple (combined)	1.00%	4/1/87
	Alameda	001	BART—Bay Area Rapid Transit District	.50%	4/1/70
	Alameda	010	ACTA—Alameda County Transportation Authority	.50%	4/1/87
	Alameda	020	BART — Fractional Code (BART in Alameda Co. only)	.50%	4/1/70
07	Contra Costa	025	BART/CCTA Multiple (combined)	1.00%	4/1/89
	Contra Costa	001	BART—Bay Area Rapid Transit District	.50%	4/1/70
	Contra Costa	021	BART—Fractional Code (BART in Contra Costa Co. only)	.50%	4/1/70
	Contra Costa	024	CCTA — Contra Costa Transportation Authority	.50%	4/1/70
10	Fresno	012	FCTA—Fresno County Transportation Authority	.50%	7/1/87
13	Imperial	029	IMTA—Imperial County Local Transportation Authority	.50%	4/1/90
14	Inyo	014	INRC—Inyo County Rural Counties Transactions Tax	.50%	10/1/88
19	Los Angeles	005	LACT – Los Angeles County Transportation Commission	.50%	7/1/82
20	Madera	034	MCTA—Madera county Transportation Authority	.50%	10/1/90
27	Monterey	032	MPRI—Monterey Co. Public Repair & Improvement Auth.	.50%	4/1/90
33	Riverside	026	RCTC – Riverside County Transportation Commission	.50%	7/1/89
34	Sacramento	023	STAT—Sacramento Transportation Authority	.50%	4/1/89
34	San Benito	015	SBCG – San Benito County Council of Governments	.50%	1/1/89
36	San Bernardino	031	SBER –San Bernardino County Transportation Authority	.50%	4/1/90
37	San Diego	017	SDTC/SDJF Multiple (combined)	1.00%	1/1/89
	San Diego	013	SDTC—San Diego County Regional Transportation Comm.	.50%	4/1/88
	San Diego	016	SDJF — San Diego County Regional Justice Facility	.50%	4/1/88
38	San Francisco	028	BART/SFTA Multiple (combined)	1.00%	4/1/90
	San Francisco	027	SFTA — San Francisco Co. Transportation Authority	.50%	4/1/90
	San Francisco	022	BART — Fractional Code (BART in San Francisco only)	.50%	4/1/70
	San Francisco	001	BART — Bay Area Rapid Transit District	.50%	4/1/70

ACCOUNT MAINTENANCE

EXHIBIT C		ADD-ON CODES FOR SPECIAL TAXING JURISDICTIONS (CONT.)			
COUNTY		ADD-ON			EFF.
CODE	NAME	CODE	DISTRICT INITIALS, NAME	RATE	DATE
41	San Mateo	019	SMCT/SMTA Multiple (combined)	1.00%	1/1/89
	San Mateo	002	SMCT — San Mateo County Transit District	.50%	7/1/82
	San Mateo	018	SMTA — San Mateo County Transportation Authority	.50%	1/1/89
42	Santa Barbara	030	SBAB—Santa Barbara Co. Local Transportation Auth..	.50%	4/1/90
43	Santa Clara	007	SCCT/SCTA Multiple (combined)	1.00%	4/1/85
	Santa Clara	003	SCCT — Santa Clara County Transit District	.50%	10/1/76
	Santa Clara	006	SCTA—Santa Clara County Traffic Authority	.50%	4/1/85
44	Santa Cruz	004	SCMT – Santa Cruz Metropolitan Transit District	.50%	1/1/79

For counties with *MULTIPLE (combined)* codes, use the first code shown for all registration and account maintenance transactions which occur after the effective date of the combined special taxing jurisdictions.

16 This code is used only on the mainframe for tax allocation purposes, and represents BART tax for Alameda County only.

17 This code is used only on the mainframe for tax allocation purposes, and represents Contra Costa County only.

18 This code is used only on the mainframe for tax allocation purposes, and represents BART tax for San Francisco County only.

EXHIBIT D

ADD-ON CODES IN NUMERICAL ORDER

ADD-ON CODE	NAME	COUNTY CODE	EPF. DATE
001	BART—Bay Area Rapid Transit District	01, 07, 38	4/1/70 ¹⁹
002	SMCT—San Mateo County Transit District	41	7/1/82
003	SCCT—Santa Clara County Transit District	43	10/1/76
004	SCMT — Santa Cruz Metropolitan Transit District	44	1/1/79
005	LACT—Los Angeles County Transportation Commission	19	7/1/82
006	SCTA – Santa Clara County Traffic Authority	43	4/1/85
007	SCCT/SCTA — <i>Multiple (combined)</i>	43	4/1/85
008	(not used)		
009	(not used)		
010	ACTA—Alameda County Transportation Authority	01	4/1/87
011	BART/ACTA <i>Multiple (combined)</i>	01	4/1/87
012	FCTA—Fresno County Transportation Authority	10	7/1/87
013	SDTC – San Diego County Regional Transportation Comm.	37	4/1/88
014	INRC—Inyo County Rural Counties Transactions Tax	14	10/1/88
015	SBCG – San Benito County Council of Governments	35	1/1/89
016	SDJF – San Diego County Regional Justice Facility	37	1/1/89
017	SDTC/SDJF <i>Multiple (combined)</i>	37	1/1/89
018	SMTA—San Mateo County Transportation Authority	41	1/1/89
019	SMCT/SMTA <i>Multiple (combined)</i>	41	1/1/89
020	<i>Fractional code – BART in Alameda County</i>	01	4/1/70 ²⁰
021	<i>Fractional code – BART in Contra Costa County</i>	07	4/1/70 ²¹
022	<i>Fractional code – BART in San Francisco only</i>	38	4/1/70 ²²
023	Stat – Sacramento Transportation Authority	34	4/1/89
024	CCTA —Contra Costa Transportation Authority	07	4/1/89
025	BART/CCTA <i>Multiple (combines)</i>	07	4/1/89
026	RCTC — Riverside County Transportation Commission	33	7/1/89
027	SFTA — San Francisco Co. Transportation Authority	38	4/1/90
028	BART/SFTA <i>Multiple (combined)</i>	38	4/1/90
029	IMTA — Imperial Council Local Transportation Authority	13	4/1/90
030	SBAB—Santa Barbara Co. Local Transportation Auth.	42	4/1/90
031	SBER—San Bernardino County Transportation Authority	36	4/1/90
032	MPRI—Monterey Co. Public Repair & Improvement Auth.	27	4/1/90
033	EQRF—Earthquake Relief fund	—	12/1/89
034	MCTA — — Madera County Transportation Authority	20	10/1/90

19 This add-on-on code was dropped from BTCIS registration programs on April 1, 1989. However, BART add-on code “001” will continue to be used for audits, field billing orders, BT-1043-D, and all manually prepared documents involving BART taxes

20 BART Fractional code “020” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

20 BART Fractional code “021” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

20 BART Fractional code “022” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

CONVERSION OF ACCOUNT USING FORM BT-1047**332.000****WHAT IS A CONVERSION?****332.005**

Conversion is a process by which one of three separate and distinct processes occurs:

1. A sales tax account with one selling location is permitted to report sales for one or more additional locations under a single account number. This specific process is called "consolidation."
2. A sales tax account with two or more selling locations closes all but one location.
3. Because of changes in operation or physical location, a sales or use tax account is changed to another kind of sales or use tax account. This might include a consumer use tax permit changing to a sales tax account, a sales tax account changing to a certificate of registration — use tax, or a certificate of registration to a sales tax account.

TERMS USED WHEN DEALING WITH CONSOLIDATED ACCOUNTS**332.006****Consolidated Account**

A term which describes the *master location* and all *sub-permits* of an account. A consolidated account is only available for sales tax programs, and is identified by the tax code "SX", "SY", or "SZ." No use tax or use fuel tax programs have consolidated accounts.

Consolidated accounts are voluntary, and must be issued with permission of the taxpayer. If a taxpayer prefers to maintain separate seller's permits for every location, Board policy has been and will continue to be to honor the taxpayer's wishes.

Temporary accounts ("ST") may not be converted to consolidated accounts after issuance. Temporary accounts may, however, be originally issued as consolidated accounts. See CPPM 232.011 for further information on temporary consolidated accounts.

Master location

The location of books and records for audit and compliance purposes. A master location does not necessarily need to be a selling location, hence a master location may be in one district, with all selling sub-locations located elsewhere. The location of an out-of-state accountant or bookkeeper, as is common in franchise operations, is not a master location.

Sub-location

One of two or more business locations from which sales of tangible personal property are made, and for which sales are reported under a single sales tax account number.

Sub-location Number

A four-digit number assigned to a specific sub-location. Sub-location numbers begin with "0001" for the first sub-location, "0002" for the second sub-location, and are numbered in sequence to a theoretical maximum of "9999."

Sub-Permit

A Seller's Permit issued to a specific sub-location.

Sub-Permit Start Date

The starting date of sales at a specific sub-location.

If a sales location is also the master location, a sub-permit and a consolidated permit are required for that location. Because a master location does not have a permit as a place of business, enforcement, or punitive measures regarding master locations are not available to the Board.

CONSOLIDATED ACCOUNTS IN A SINGLE TAXING JURISDICTION**332.015**

Consolidated accounts issued to persons having two or more locations within the identical taxing jurisdiction require no further allocation of local tax. (Accounts with the same 12 digit area code for all locations.) They are always assigned account numbers with the tax code "SX." Accounts coded "SX" file a regular sales and use tax return with no special schedules. Once each year these accounts are sent a list of all locations of record and a letter requesting confirmation of existing locations. Also, taxpayers are requested to inform the Board of new or unlicensed outlets, or outlets which moved or closed out. (See Subsection 232.010 and 228.030).

"SX" Consolidated Accounts

Tax program "SX" is for an account with all sub-locations within the same taxing jurisdiction. The master location for an "SX" account may be in another district or another county, yet the area code will be shown for where the sub-locations are situated.

For example, a taxpayer operates two sub-locations within the City of Ventura, with an area code of 56020-000-0000, but books and records for audit purposes (master location) are in North Hollywood. The permit will be issued as follows:

Tax Program	"SX"
Master location:	North Hollywood
District at control	AC-Van Nuys (which has administrative responsibility for accounts in North Hollywood)
Area code on master:	56020-000-0000 (for City of Ventura, where both sub-locations operate)
Area code on both subs:	56020-000-0000 (for City of Ventura)

See also CPPM 228.030 (d) for further discussion of area codes for "SX" accounts.

DECISION TABLE — CONSOLIDATED ACCOUNTS**332.016**

(2 or more locations)

CONDITION	A	B	C
Business all in a single location	Y		
Business in 2 or more jurisdictions		Y	
* Special Sellers reporting MORE than \$600.00 in Local Tax per year			Y
ACTION	A	B	C
Enter Tax Program "SX"	X1		
Enter Tax Program "SY"		X1	
Enter Tax Program "SZ"			X1
Area Code to business locations	X2		
Third through fifth digits of Area Code are "-000"		X2	X2

*Auctioneer, Construction Contractor, or Vending Machine Operator

For accounts where the master location is situated outside of California, see decision table in CPPM **332.017**.

DECISION TABLE — CONSOLIDATED ACCOUNTS FRINGE AREA AND OUT-OF-STATE

332.017

The following decision table may be used to determine the tax program and area code for consolidated accounts with books and records sufficient for audit purposes located in fringe areas or out-of-state.

CONDITION	A	B	C	D	E	F	G
Master location (books and records sufficient for audit purposes located IN-STATE)	Y						
Master location in fringe area		Y	Y			Y	
Master location is OUT-OF-STATE, NOT in fringe area				Y	Y		Y
All sublocations within a single taxing jurisdiction			Y		Y		
Account is SPECIAL SELLER (CPPM 235.000 et. seq.)						Y	Y
ACTION	A	B	C	D	E	F	G
Not an Out-of-State or fringe area account. Assign IN-STATE office of control (CPPM 232.000)	X						
Enter Tax Program "SX"			X1		X1		
Enter Tax Program "SY"		X1		X1			
Enter Tax Program "SZ"						X1	X1
Enter area code for IN-STATE jurisdiction			X2		X2		
Use "59-000" as first five digits of area code		X2		X2		X2	X2
Office code used is FRINGE AREA district or branch office of control		X3	X3			X3	
Office code used is Out-of-State district or branch office of control (OH, OHA, OHB, OHC)				X3	X3		X3

REGULAR CONSOLIDATED ACCOUNTS REQUIRING FURTHER LOCAL TAX ALLOCATION

332.020

Consolidated accounts issued to persons having locations in more than one taxing jurisdiction require further allocation of local tax. (Accounts with some difference in area codes of locations.) They are assigned account numbers with tax code "SY" or, as explained in the following section, "SZ." In addition to the consolidated return, taxpayers receive Form BT-530, Schedule C—Detailed Allocation by Sub-outlet of Uniform Local Sales and Use Tax, to provide for allocation of tax by sub-location (See Subsection 228.030).

CONSOLIDATED ACCOUNTS — SPECIAL SELLERS

332.025

"SZ" tax program is a consolidated "Special Seller" ("SS") account. These are consolidated accounts issued to persons who are special sellers, as described in Subsection 232.040 et. seq., and have two or more locations. They are always assigned account numbers with the tax code "SZ." In addition to the consolidated return, these taxpayers receive Form BT-530, Schedule C — Detailed Allocation by Sub-outlet of Uniform Local Sales and Use Tax, to provide for allocation of tax by sub-location. A schedule included with the consolidated return provides for allocation of tax by counties.

**CONVERSION OF SINGLE LOCATION ACCOUNT TO
MULTIPLE LOCATION ACCOUNT****332.030**

A taxpayer who holds a Seller's Permit for a single location (tax program "SR" or "SS") may voluntarily elect to report sales for additional locations under one account number. Conversion of a single outlet account to consolidate account is accomplished in two steps.

All selling locations must be listed on Form(s) BT-400-CS, "Schedule of Sub-locations."

Form BT-1047 must be prepared to make required changes to the account record in readiness to accept the sub-locations listed on Form BT-400-CS.

Preparation of Form BT-1047

Check box marked [] Conversion in second area from top of form.

Complete Section A by entering the name and account number exactly as shown on video display.

Complete Section B.1 by entering appropriate consolidated account tax code: "SX", "SY", or "SZ." If other correcting entries are required in Section B, make them at this time.

Enter the appropriate area code in the coding grid. For assistance in this area, see CPPM 232.060 for a decision table.

Check the box for Section C.5, and in the space following show the date of conversion. Complete Sections C.6 and C.7.

In Section E, enter any changes which may have occurred. The person preparing Form BT-1047 will also enter the office code or office, name, and date in the area below Section E.

Preparation of Form BT-400-CS

Form BT-400-CS was extensively redesigned in March, 1989 to accommodate future on-line geographic files and expanded registration capabilities for BTCIS. Separate space have been added for numeric and street portion of the address, sub-location phone number, ZIP code and county. Addition of a county entry is particularly valuable for Local Tax area code verification where postal delivery areas cover multiple counties. Signatures, which have heretofore been optional are no longer required.

"Sub-Permit Start Date" entries must be in a month-date-year format, such as "02-1-89", "04-07-89", and so forth. This date is the actual date the specific sub-location started sales, and is *NOT* the date Form BT-400-CS is prepared.

Prepare forms BT-400-CS and other pertinent forms by **typing** or **legibly printing** entries. Longhand entries slow editing and review processes and interpretations may cause errors. Illegible forms will be returned to the originating districts for correction.

CONVERSION OF SINGLE LOCATION ACCOUNT TO
MULTIPLE LOCATION ACCOUNT

(CONT.) 332.030

Many post office delivery areas overlap city and/or county boundaries. As a result, proper verification of the exact location of a sub-location in some areas is very difficult. For example, the City of Watsonville is an incorporated city within Santa Cruz County with area code 44051-004-0000. Sales within the City of Watsonville are subject to a 6.75% sales and tax rate. Watsonville postal delivery also includes unincorporated portions of Santa Cruz County (44998-004-0000). Immediately across the Pajaro River to the south are unincorporated portions of Monterey County (27998-032-0000, 6.75% tax rate) and San Benito County (35998-015-0000, 6.75% tax rate) served by the same Watsonville post office. There are streets in all three counties which have same or similar names. A similar situation exists in Folsom (Sacramento, El Dorado, and Placer Counties); Thousand Oaks, Malibu, (Ventura and Los Angeles Counties); and Los Gatos (Santa Clara and Santa Cruz Counties). The importance of accurate coding for sub-locations has become even more important and cannot be overemphasized, and for this reason the "County" for each sub-location **must** be entered.

Sub-locations **must** be located within California. Many consolidated accounts have sub-locations in California, and also fill orders to California consumers from out-of-state locations. When this situation is encountered, the taxpayer becomes a "*special seller*." ¹ No separate sub-location is established at the out-of-state location, but sales to in-state consumers made from the out-of-state location must be reported, and local taxes plus any applicable Special Taxing jurisdiction taxes allocated to the purchaser's county on Schedule B of the sales and use tax return. Use the tax code "SZ" ², for this type of account. Special returns containing Schedule B, Allocation by County of Local Tax, will be sent.

Local Tax Unit personnel verify each BT-400-CS sub-location area code for full-time accounts prior to any Registration Unit edit or input function. The number of additional sub-locations has steadily increased resulting in significantly higher volumes. Increased sales volumes with resultant allocations to multiple jurisdictions makes the consequence of error much greater, and when errors occur in area coding, the fiscal impact of a correct or incorrect jurisdiction may be significant. Sub-locations for part time accounts (business code "29") are not verified by Local Tax Unit personnel, and if errors in area coding are present, the mainframe registration program will either reject the entry (and the entire document) or will accept the entry and create additional problems later with improper allocations. Subsequent corrections of errors is very time consuming.

Staple original Forms BT-400-CS to original Form BT-1047, and forward all original forms to Headquarters Registration.

¹ See CPPM 230.040 for the definition of "Special Seller"

² "SZ" Tax Program is a consolidated "Special Seller"

CONVERSION OF “SX ACCOUNT TO “SY” OR “SZ”**332.032**

Existing “SX” accounts may be converted to “SY” or “SZ” when changes occur which make area codes different between or among sub-locations.

Prepare Form BT-1047 as follows:

Check box marked [] Conversion in second area from top of form.

Complete Section A by entering the name and account number exactly as shown on video display.

Complete Section B.1 by entering appropriate consolidated account tax code: “SY” or “SZ”. If other correcting entries are required in Section B, make them at this time.

Enter the appropriate area code in the coding grid. For assistance in this area, see CPPM 232.060 for a decision table.

Check the box for Section C.5, and in the space following show the date of conversion. Complete Sections C.6 and C.7.

In Section E, enter any charges which may have occurred. The person preparing Form BT-1047 will also enter the office code or office, name and date in the area below Section E.

BT-400-CB, SCHEDULE OF SUBPERMITS**332.035**

Form BT-400-CB, Schedule of Subpermits, is a district option. Because full registration data for sub-locations is available on BTCIS under both RG 1 and RG 2, districts may elect to substitute a RG 2 printout in lieu of form BT-400-CB. No copy is required for Headquarters.

**ADDING NEW SUBLOCATIONS TO AN
EXISTING CONSOLIDATED ACCOUNT****332.040**

New sub-locations may be added to an existing consolidated account at any time. To add a new sub-location prepare Form BT-400-CS in duplicate as described in CPPM **332.030** and forward the original form to Headquarters Registration. Sub-permit numbers are issued sequentially and the same number may not be used twice³.

*NOTE: When adding sub-location(s) to “SX” consolidated accounts, where the sub-location area code is NOT the same as other sub-locations for the account, the account must be converted to “SY or “SZ” as described in CPPM **332.032**. The area code for the master location will also change.*

³ Prior to 1985 when only 999 sub-permit numbers per account were available in total, unused numbers were occasionally reissued. Since that time, expansion of available sub-permit numbers has been sufficient to meet the Board’s needs and reissuance of old sub-permit numbers has been discontinued.

PREPARATION OF PERMIT CARDS FOR CONSOLIDATED ACCOUNTS

332.050

PERMIT**FORM #**

Seller's

BT-442-R ⁴

Consolidated Seller, Master location

BT-442-C

Permits, licenses and certificates have been designed to allow for seven lines of typing, 33 numeric or alpha characters per line using pica (10 characters per inch or 10 CPI) typewriter spacing. It will seldom be necessary, however, to use all seven lines provided.

Pica type (10 characters per inch or 10 CPI) should be used where possible. Corner marks are printed in the upper left and right corners to assist in positioning the form in the typewriter, and as an aid in determining the beginning and ending of each line.

The following items must be typed on the forms before they are issued.

Account number


Owner name

Business Address

City, State, ZIP

The firm name (DBA) may be typed on these forms. If shown, the entry must be made outside the space outlined for the window envelope block.

Other items of data such as start date, business code, area code, mailing exception code, reporting basis, etc., are confidential data and are not typed on permit or license forms⁵. A mailing address may be included if it is different from the business address, allowing for form to be mailed in a window envelope.

 <div style="display: inline-block; vertical-align: middle; text-align: center;"> <p>CALIFORNIA STATE BOARD OF EQUALIZATION</p> <p>SELLER'S PERMIT</p> </div>	
<p>BY THE NEW OPERATOR OF THE BUSINESS. THIS PERMIT DOES NOT AUTHORIZE THE HOLDER TO ENGAGE IN ANY BUSINESS CONTRARY TO LAWS REGULATING</p>	<div style="text-align: right; margin-bottom: 10px;">ACCOUNT NUMBER</div> <div style="text-align: right; margin-bottom: 20px;">SR KH 28-861235</div> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p>Gary L. Evans 1725 23rd St., Ste. 200 Sacramento, CA 95816</p> </div> <p style="text-align: center; margin-top: 10px;">IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION</p>
<p>THAT BUSINESS OR TO</p>	<p style="text-align: center;">STATE BOARD OF EQUALIZATION</p> <p style="text-align: center;">THIS PERMIT IS VALID UNTIL REVOKED OR CANCELLED BUT IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS, OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED</p>
<p>POSSESS OR OPERATE ANY ILLEGAL DEVICE. Not valid at any other address BT-442-R-LZ REV. 10 (6-90)</p>	

4 Individual seller's permits are issued for each selling location of a consolidated account.

5 Permit and license forms are displayed to the public, therefore disclosure of a starting date, business code, reporting basis or other data could potentially allow inference of business volume or other confidential information.

Positioning of items of data on the forms in their order of entry is as follows:

First Entry—Account Number

Starting with the top line, left side, type complete account number including tax program code, office code and numerical portion, i. e., SR ARA 15-789012. If a sub-permit, continue with a dash after the numerical portion, sub-location number, another dash, and master office code, i.e., SY EHB 15-789012-0196-ARA. The account number is the only entry made on the first line of the form.

It is not necessary to prepare new permits when the only change is to the tax program. This situation occurs when accounts are converted between SX, SY, SZ and SR.

Second Entry — (when necessary) —**Business Address If Different from Mailing Address**DOES NOT APPLY TO SUBLOCATIONS

When the mailing address is different from the business address, type the business address on the second line, including the number and street but not the post office unless it is different from the post office of the mailing address. This is the only entry made on the second line. Do not insert the mailing address if the permit will be handed to the taxpayer in person

Examples:

- 1310 Eighth Street (same post office as mailing address)
- 1310 Eighth Street, Sacramento (different post office from mailing address)

If the mailing address is the same as the business address, the second line is left blank.

Third Entry — Owner Name

Owner name is entered beginning on the next available line. As far as possible, a complete owner name should be entered subject to necessary abbreviations of first names of partners, etc.

Fourth Entry — Mailing Address**(or business and mailing address when identical)**

The business address is entered on the next available line. Two lines of the form are used for this entry. The first line will include number, street, etc., the second line will include post office, two-letter state abbreviation and ZIP Code.

When the mailing address is different from the business address, enter the business address on the second line as described under "Second Entry."

Formatting for preparation of the form is fixed with respect to entering account number and business address (if applicable) on the first two lines. Entry of other data is flexible, subject to the amount of data that is to be entered. For example, the owner name need not be restricted to one line.

HINT: When preparing the form, determine how much data can be and should be entered before typing is started!

MOVE OF A SUBLOCATION**332.060**

Moves and other account maintenance for sub-locations is performed at the district which has administrative control of the master location. All moves, including interdistrict moves of sub-locations, are performed using on-line account maintenance (RGV) programs.

Intra-district moves of master locations are performed using on-line account maintenance programs.

An interdistrict move of a master location is performed using procedures described in CPPM 31.000 et. seq.

CLOSEOUTS OF SUBLOCATIONS**332.065**

From BT-406-CS, "Closeout of Sub-location", is used to close out sub-permits. Preparation of Form BT-406-CS is discussed in CPPM Chapter 6, and is a district option. Districts may substitute locally prepared forms if desired to replace Form BT-406-CS when no successorship or sale of fixtures and equipment is involved.

Closeout of sub-locations is performed by remote input, with one exception: when closeout of a sub-location leaves only one remaining sub-location, conversion of the account to a single outlet account must be made. See (CPPM **332.070**, following for instructions.

**CONVERSION OF CONSOLIDATED ACCOUNT
TO SINGLE LOCATION ACCOUNT****332.070**

Accounts with multiple locations which close all remaining selling locations but one must be converted to a single outlet account. Remote input is not able to perform a conversion to single location, nor is remote input able to accept closeout data for sub-locations involved in conversion.

Preparation of Form BT-1047

Check box marked ☐ Conversion in second area from top of form.

Complete Section A by entering the name and account number exactly as shown on video display.

Complete Section B.1 by entering appropriate single outlet tax code: "SR" or "SS". If other correcting entries are required in Section B, make them at this time.

Enter the appropriate area code in the coding grid for the remaining sub-location.

Check the box for Section C.5, and in the space following show the date of conversion to regular. Complete Sections C.6 and C.7.

In Section E, enter any changes which may have occurred. The person preparing Form BT-1047 will also enter the office code or office, name, and date in the area below Section E.

Preparation of Form BT-406-CS

Prepare Form BT-406-CS and enter all active sub-locations in the spaces provided. Enter appropriate closeout dates and codes for those locations which will not remain open.

For the one location which will remain open, use Closeout Code "6", and in the space marked "Purchase Price" enter the word "Conversion".

Staple original Forms BT-406-CS to original Form BT-1047, and forward all original forms to Headquarters Registration.

OTHER CHANGES TO CONSOLIDATED ACCOUNTS**332.080****Reinstatement of Account Closed Out in Error**

Prepare Form BT-1047 to reinstate the consolidated account, and another Form BT-1047 to reinstate the sub-permits involved with a list of the sub-permits attached.

Change in Reporting Basis

Prepare one Form BT-777, Notice of Change in Reporting Basis, to change the reporting, basis of the consolidated account and all subs.

Reinstatement of Account After Revocation (Exception)

Prepare Form BT-400, Application for Seller's Permit, to reinstate the consolidated account. Form BT-400 will also reinstate revoked sub-permits under the consolidated account. Care must be taken to determine the number of sub-permits included in the revocation, and a reinstatement fee of \$50 collected for each sub-location being reinstated. The total amount of sub-permit reinstatement fees collected is entered in Section 3 of Form BT-400.

Reinstatement After Revocation and**Closeout in Error** (See Subsection **360.140**)

Prepare Form BT-400 to reinstate the consolidated account as explained in the paragraph above. Also, prepare Form BT-1047 with a list of the sub-permits attached to reinstate the sub-permits. Care must be taken to determine the number of sub-permits included in the revocation, and a reinstatement fee of \$50 collected for each sub-location being reinstated. The total amount of sub-permit reinstatement fees collected is entered in Section 3 of the Form BT-400.

CONVERSIONS OF ACCOUNTS TO DIFFERENT TAX PROGRAMS**332.100**

Sales and use tax accounts may be converted from one program to another within the sales and use tax group. For instance, if the holder of a Certificate of Registration – Use Tax establishes a place of business within California, the existing Certificate of Registration – Use Tax may be converted to a Seller's Permit. A person holding a Seller's Permit who ceases making sales in California, but who continues to purchase merchandise for self-consumption from sources outside the state, may have the Seller's Permit converted to a Consumer Use Tax account.

Conversion of account does not extend to temporary sellers, nor are any fuel tax accounts subject to conversion.

**CONVERSION TO SELLER FROM CONSUMER USE TAX
OR CERTIFICATE OF REGISTRATION — USE TAX****332.110****Documents Required**BT-400

Complete BT-400 completely. The application form in this instance is prepared the same as for a new account, except on Form BT-400 the statement “Consumer to Seller” or “Cert-U to Seller” is entered in the space entitled “Name of Former Owner” and the previous account number (“SU” or “SC”) is entered in full in the space entitled “Former Owner’s Account Number.” The taxpayer **MUST** sign the application.

The starting date shown in the coding grid must be the original starting month and year from the Consumer or Certificate of Registration - Use Tax account to maintain continuity of operation.

In the space entitled “Date Started This Address”, enter month, day and year for the first day of the first reporting period under the new tax program.

BT-1047

Check the “Conversion” box at the top of the form and complete the following sections:

Section A.

Enter the name and account number as shown on the video.

Section B.

Enter the new tax program code and other items to be corrected. The numeric portion of the account number is never changed.

Section C.

Complete sections C.6 and C.7.

Section D, Number 1

The date of the conversion is entered.

Check the box designated “Other” and enter the type of conversion taking place, such as “Consumer to Seller” or “Cert-U to Seller.”

Attach Form BT-400 to original Form BT-1047, and transmit both documents to Headquarters Registration for processing. Issue a Seller’s Permit to the taxpayer as described in CPPM 255.050.

**CONVERSION FROM SELLER TO CONSUMER USE TAX
OR CERTIFICATE OF REGISTRATION — USE TAX****332.120****Documents Required**BT-400 CU or BT-400-U

Complete BT-400-C or BT-400-CU completely. The application form in this instance is prepared the same as for a new account, except the statement “Seller to Consumer” or “Seller to Cert-U” is entered in the space entitled “Name of Former Owner” and the previous account number (“SR”) is entered in full in the space entitled “Former Owner’s Account Number”. A signature is desirable but not mandatory. If the taxpayer is unavailable for signature, enter the statement “Signature on File” on the signature line along with the initials of the person preparing the conversion documents.

The starting date shown in the coding grid must be the original starting month and year from the Seller’s Permit account to maintain continuity of operation.

In the space entitled “Date Started This Address”, enter month, day and year for the first day of the first reporting period under the new tax program.

CONVERSION FROM SELLER TO CONSUMER USE TAX
OR CERTIFICATE OF REGISTRATION — USE TAX

(CONT.) 332.120

BT-1047

Check the “Conversion” box at the top of the form and complete the following sections:

Section A.

Enter the name and account number as shown on the video.

Section B.

Enter the new tax program code and other items to be corrected. The numeric portion of the account number is never changed.

Section C.

Complete sections C.6 and C.7.

Section D, Number 1.

The date of the conversion is entered.

Check the box designated “Other” and enter the type of conversion taking place, such as “Seller to Consumer” or “Seller to Cert-U.

Attach Form BT-400-CU or BT-400-U to original Form BT-1047, and transmit both documents to Headquarters Registration for processing. If the new permit is a Certificate of Registration — Use Tax, issue the proper permit as described in CPPM 255.050.

BT-523, TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE 350.000**FORM BT-523, OVERVIEW****350.005**

Form BT-523 is a multipurpose form which can accomplish many functions on a single piece of paper. None of the functions performed via Form BT-523 are available yet to field offices on remote input.

Though the form appears very complex at first sight, it is not a difficult form to use. You will generally use only one or two sections of the form at any time, and by treating each section individually you will find the form straightforward in purpose and approach.

This chapter will lead you through nearly every conceivable situation which a BT-523 may be used to change or correct. When you use the form, treat each section as though no other section of the form exists.

If you are unable to accomplish the function, ask for assistance from your supervisor.

FROM BT-523, TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE 350.010

The situations below may result from one or a combination of circumstances and are not meant to be all inclusive, but will illustrate the common types of situations requiring preparation of the form.

- a. Change of closeout or starting date of a predecessor or successor account.
- b. Transfer a return and/or adjust tax for entire reporting period, erroneously reported under one account, to another account.
- c. Notify Headquarters to transfer an accounts receivable balance from one account to another.
- d. Adjust a return erroneously filed for one period to the correct period under the same account.
- e. Transfer a return and/or adjust tax for a fractional period erroneously included in a return for an account to the same fractional period under the correct and different account.
- f. Adjust tax wrongly included in a return for one period to another period under the same account.
- g. Clearance of a delinquency by the inclusion of the delinquent period in an audit or field billing order or by receipt of a payment representing tax for the delinquent period.
- h. Transfer of prepayment periods from one account to another and/or one period to another.
- i. Transfer of material from one account to another.

RETURNS FOR PERIODS PRIOR TO STARTING DATE OR FOR PARTIAL PERIODS

350.020

When a return is filed covering a period or partial period which is prior to the starting date of the account and the return clearly identifies the account number and location under which it will be processed, the Account Reference Unit will prepare a Form BT-523, Tax Return and/or Account Adjustment Notice, changing the starting date so that it conforms to the return. Copies of the Form BT-523 and the return will be sent to the district.

If there is a predecessor account involved, the Account Registration Unit will correct the return in those instances where it is obvious that this is the proper course of action. If there is any information which would prevent this unit from making a clear and simple decision, then a Form BT-167, Questionable Return or Payment Posting, and a copy of the return will be sent to the district for investigation and action.

INFORMATION FOR PREPARATION OF FORM BT-523

350.030

If only Section 1 is to be completed, enter full account number, taxpayer name and reporting basis.

Depending on each case, the "C.O." box may be checked and notations made on either "change of closeout date" or "change of starting date" lines.

If Sections 1 and 2 are to be completed, both sections must contain the business and area codes.

Following are instructions for various situations:

a. ONE ACCOUNT INVOLVED

Complete Section 1 when only one account is involved.

b. TWO ACCOUNTS INVOLVED

Section 1 is used to enter information on the account from which a transfer or adjustment is made. Section 2 is used to enter information on the account to which a transfer or adjustment is made.

The adjustment grid in Section 7b is completed in the same order as Sections 1 and 2. The left-hand grid will contain the correct allocation the tax, including any interest and penalty, for the account in Section 1, the center grid the total paid, including interest and penalty, under the account shown in Section 1, and the right-hand grid will contain the correct allocation of tax, including any interest and penalty, for the account shown in Section 2.

c. ONE-ACCOUNT — ADJUSTMENT OF TAX FROM ONE PERIOD TO ANOTHER

The left-hand grid in Section 7b will contain the adjusted amount of tax for the oldest period, the center grid the information on the return as it was actually filed, and the right-hand grid the adjusted amount of tax for the later period. Enter the account number only in the left-hand grid.

d. CHANGE OF CLOSEOUT DATE

If the new closeout date is the same as the starting date of record and a one-day period of operation is involved, a notation will be made in Section 10. If the account did not operate, check the box provided. No explanation is required.

e. WHEN FORM BT-523 IS NOT REQUIRED FOR HEADQUARTERS RECORDS

A copy of Form BT-523 is not required for Headquarters when a change of starting or closeout date falls within the same reporting period. A copy of the form will be prepared for the district account file. No further action is required.

Two exceptions exist to this rule: (1) When a change of reporting basis to yearly occurred within the calendar year of closeout, Form BT-523 must be prepared for Headquarters. (2) When the change of closeout date occurs to an account which has security to be applied, in part, to the "NR" return immediately preceding the final return, a copy of the form will be sent to Headquarters.

f. NUMBER OF COPIES OF FORM BT-523 REQUIRED

Two copies of Form BT-523 will be prepared for each account. When two or more accounts are involved, the originals sent to Headquarters should be stapled to present a "package" of the transaction. The forms will be sent as soon as is possible to expedite the required change. Do not use photocopies.

g. NEED FOR SEPARATE SCHEDULE

Most situations requiring the preparation of Form BT-523 will involve only two accounts for an adjustment. If more than two periods or accounts are affected a separate schedule will be prepared, showing all periods and/or accounts. Insert "See Schedule Attached" in Section 10 and attach the schedule(s) to Form BT-523 when transmitting to Headquarters.

h. TIME LIMITATIONS FOR ALLOCATING LOCAL TAX

Local tax reallocations are governed by Section 7209 of the Bradley-Burns Local Sales and Use Tax Law interpreted by Business Taxes General Bulletin 59-12, revised August 1 1987. When Form BT-523 is prepared to reallocate sales and use tax between local taxing jurisdictions, the "date of first knowledge", establishing the commencement date of the reallocation, must be noted in Section 10 of the form.

i. FUTURE AUDIT OR FILE REFERENCE

The adjustment grid of section 7b only provides space to report the amount of tax involved in the adjustment. When it is believed all figures pertaining to corresponding lines of tax returns should be recorded for future district audit or file reference, a schedule of the adjustment made will be prepared and attached to the district copies of Form BT-523. These schedules are not sent to Headquarters.

j. ADJUSTMENT OF FUEL TAXES

When adjustment of fuel taxes is made on Form BT-523 the bottom line in Section 7b, titled "total tax" will be used, since there is no state or local tax involved. When balances are transferred between use fuel tax accounts, Headquarters will prepare Form BT-1269 to effect the actual transfer in response to the district's request on Form BT-523.

k. INTERDISTRICT PREPARATION OF FORM BT-523

When Form BT-523 is prepared in one district for another district, the original and all copies must be sent to the district of control. When two or more districts are involved, the set of prepared forms must be broken down for distribution to the respective district offices.

1. FORM BT-523 PREPARED IN CONJUNCTION WITH FBO/AUDIT

When Form BT-523 is prepared with a FBO or audit the Form BT-523 must be transmitted to Headquarters Account Reference Unit at the same time the document establishing the liability is transmitted to Headquarters Audit Control Unit. This requirement becomes significant when “no permit” audits are involved.

In the case where tax has accrued prior to the date of application, it is necessary to exercise care so that the account does not proceed through the revocation cycle prior to the transmittal of the Form BT-523.

The compliance section should secure the necessary registration of the account and place the account number on the form prior to transmittal to Headquarters.

m. ADJUSTMENT OF PREPAYMENTS

Forms BT-523 prepared with audits of closed-out prepayment accounts where a final period is cleared must note in Section 10 of the disposition of any prepayment periods unsupported by the quarterly return. The adjustment of tax under a prepayment account will be handled the same as tax with other accounts when the quarterly return has been filed and there is no prepayment period unsupported by a return.

When the quarterly return has not been filed, the transfer of forms or adjustment of tax will be done by completing the appropriate section of the Form BT-523 and inserting the word “prepayment” next to the left-hand margin of the appropriate section of the form. This action will alert Headquarters that the account, while designated “quarterly” in Sections 1 and 2, is on a prepayment basis and must be processed accordingly.

ACCOUNT MAINTENANCE

CHANGE OF CLOSEOUT DATE — NO OTHER ACCOUNT INVOLVED

350.040

Instructions:

Complete Section 1, check "C.O." box and note change in closeout date.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code	Account Number	Sub No. Master		Area Code	Account Number	Sub No. Master	
56	020 000 0000	SR AR 15 — 815023					
Name <i>Richard L. Evans</i>				Name			
1	Reporting Basis	<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code	36
Close Out <input checked="" type="checkbox"/> Did Not Operate <input type="checkbox"/>				Account Analysis Code			
Change Start From to				Change Start From to			
Change CLOSING DATE from <i>8/1/89</i> to <i>12/31/89</i>				Change CLOSING DATE from to			

If this action places the closeout date in a later reporting period, the delinquency must be cleared. Clearance can be effected in four ways:

- A return(s) is filed for the delinquent period(s).
- A field billing order is prepared to clear the delinquent period(s).
- An audit is made which includes and clears the delinquent period(s).
- A payment is received for the delinquent period(s).

When condition (a) exists, Form BT-523 established the delinquency and the filed and paid return cleared it. The fact a return was filed will be noted in Section 10 to explain the manner of clearance.

When conditions (b), (c), or (d) exist, Section 5 will be completed indicating date of field billing order, audit, or payment and period(s) cleared. The method used to clear the delinquency should be circled.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code	Account Number	Sub No. Master		Area Code	Account Number	Sub No. Master	
56	011 000 0000	SR AR 15 — 863021					
Name <i>Karen Syverud</i>				Name			
1	Reporting Basis	<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code	24
Close Out <input checked="" type="checkbox"/> Did Not Operate <input type="checkbox"/>				Account Analysis Code			
Change Start From to				Change Start From to			
Change CLOSING DATE from <i>3/1/90</i> to <i>10/1/89</i>				Change CLOSING DATE from to			
3	Return(s) for Entire Period From to filed under account number was due under and should be transferred to account number for \$ batch #						
4	Balance Under Account Number should be transferred to account number in the Following Amounts						
5	Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: <i>3/20/90</i> * <i>4—89</i>						

A change in closeout date can be made either backward or forward. Should the closeout be changed back to the starting date, a check mark will be entered in the box "Did Not Operate."

A final period delinquency be cleared by changing the closeout date to fall at the end or within an earlier period, if the account did not operate in the later period.

CHANGE OF STARTING DATE — NO OTHER ACCOUNT INVOLVED**350.050**

Instructions:

Complete Section 1, check "C.O." if appropriate, and note change in starting date.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code		Account Number		Sub No. Master			
42 060 000 0000		SR ARA 26 — 031002					
Name <i>Billy's Place, Inc</i>				Name			
1 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code 31		2 Reporting Basis <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code	
Close Out <input type="checkbox"/>		Did Not Operate <input type="checkbox"/>		Account Analysis Code			
Change Start From		1/1/90 to 3/15/90		Change Start From		to	
Change CLOSING DATE from		to		Change CLOSING DATE from		to	

If this action places the starting date in an earlier reporting period the delinquency established must be cleared. Clearance of the delinquency will be done in the same way as illustrated in Subsection **350.040**.

CHANGE OF CLOSOUT OR STARTING DATE (PREDECESSOR) —**CHANGE OF STARTING DATE OR CLOSEOUT DATE (SUCCESSOR)****350.060**

Instruction:

The need to change the closeout date of the predecessor account and the starting date of the successor account usually occurs simultaneously. The adjustment may establish a delinquency under either of the two accounts which must be cleared. Depending on the circumstances, instructions under the illustrations in Subsections 340.040 to **350.050** will be followed.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code		Account Number		Sub No. Master			
42 060 000 0000		SR JAH 29 — 604291					
Name <i>Jeffrey O'Brien</i>				Name <i>Stephanie Evans</i>			
1 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code 32		2 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code 32	
Close Out <input type="checkbox"/>		Did Not Operate <input type="checkbox"/>		Account Analysis Code			
Change Start From		to		Change Start From		1/1/90 to 10/1/89	
Change CLOSING DATE from		12/31/89 to 9/30/89		Change CLOSING DATE from		to	

TRANSFER OF A RETURN FROM ONE ACCOUNT TO ANOTHER**350.070**

The need for adjustment of tax paid under one account to another can arise for a number of reasons.

A change in the starting or closeout date of accounts can establish delinquencies or a return may be received with an incorrect account number which would result in a delinquency for that reporting period under the correct account number. If the tax was reported and paid under one of the accounts, the delinquency can immediately be cleared by adjustment.

Instructions:

Complete Sections 1 and 2, check the "C.O." boxes if appropriate and note the change in starting or closeout dates. Complete Section 3; enter period to be transferred, and transferor and transferee account numbers.

The illustration shows the entries required when a return was filed or inadvertently processed under an incorrect account number.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code	Account Number	Sub No.	Master	Area Code	Account Number	Sub No.	Master
56 011 000 0000	SR AR 15 — 863021			44 998 004 0000	SR ARE 26 — 070703		
Name <i>Karen Syverud</i>				Name <i>Joe & Frank's, Inc.</i>			
1	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY	Bus. Code		2	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY	Bus. Code	
		24				94	
Close Out <input type="checkbox"/>		Did Not Operate <input type="checkbox"/>	Account Analysis Code	Close Out <input type="checkbox"/>		Did Not Operate <input type="checkbox"/>	Account Analysis Code
Change Start From to				Change Start From to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3	Return(s) for Entire Period From <i>3/1/90</i> to <i>10/1/89</i> filed under account number <i>SR ARE 15-707031</i>						
	was due under and should be transferred to account number <i>SR ARE 26-070703</i> for \$ <i>1,673.00</i> batch # <i>4053</i>						

The following illustration shows the entries required when the starting date of the successor account was corrected from 1-1-90 to 10-1-89, the closeout date of the predecessor account was corrected from 12-31-89 to 9-30-89 and the fourth quarter return filed under the predecessor account represented tax owned by the successor account for that period.

ACCOUNTS RECEIVABLE BALANCE UNDER ONE ACCOUNT TRANSFERRED TO ANOTHER ACCOUNT

350.080

Instructions:

Complete Sections 1 and 2, Check "C.O." box and enter change of starting or closeout date if appropriate. Complete Section 4 enter account number from which the balance is to be transferred, the transferee account number and the balance to be transferred.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM									
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master			
19 050 005 0000		SR AC 13-896009				19 050 005 0000		SR AA 16-729114					
Name <i>Ruby Pagno</i>						Name <i>Evie Cabanas</i>							
1	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<i>24</i>		2		
	Close Out		<input type="checkbox"/>	Did Not Operate		<input type="checkbox"/>	Account Analysis Code						
	Change Start From						to						
	Change CLOSING DATE from						to						
Return(s) for Entire Period From to filed under account number													
was due under and should be transferred to account number for \$ batch #													
Balance Under Account Number <i>SR AC 13-896009</i> should be transferred to account number <i>SR AA 16-729114</i>													
in the Following Amounts <i>\$ 1,531.66</i>													
5 Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: *													

ONE ACCOUNT — RETURN FOR ONE PERIOD TRANSFERRED TO ANOTHER PERIOD

350.090

Instructions:

Complete Section 1, check "C.O." box and enter change of starting or closeout date if appropriate. Complete Section 6 indicating original period of return, the amount and the period the return actually represented.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM									
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master			
27 049 032 0000		SR ARC 15-131071											
Name <i>Alberta Williamson</i>						Name							
1	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<i>36</i>		2		
	Close Out		<input type="checkbox"/>	Did Not Operate		<input type="checkbox"/>	Account Analysis Code						
	Change Start From						to						
	Change CLOSING DATE from						to						
Return(s) for Entire Period From to filed under account number													
was due under and should be transferred to account number for \$ batch #													
Balance Under Account Number should be transferred to account number													
in the Following Amounts													
5 Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: *													
6 Return Designated * <i>4-89</i> for \$ <i>1,796.00</i> Represented Tax for <i>3-89</i>													

ACCOUNT MAINTENANCE

**TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD
ERRONEOUSLY INCLUDED IN A RETURN FOR ONE ACTIVE
ACCOUNT TO THE CORRECT ACCOUNT**

350.095

Instructions:

To illustrate the following example, presume account SR KH 28-116003 filed a return for the third quarter 1989 which included amount due under account SR KH 28-869100 for the fractional period 8-12-89 to 9-30-89. Account SR KH 28-869100 is related to account SR KH 28-116003 and carries a starting date of 8-12-89. The taxpayer's accountant made an error and included tax for both locations on the third quarter 1989 return under account SR KH 28-116003. The total amount was reported and paid under account SR KH 28-116003; State, county, and local tax was split 5 and 1 with investigation revealing \$975 to be adjusted to SR KH 28-116003 and \$325 adjusted to SR KH 28 869100. A delinquency has been established under the new account because of the erroneously reported amount.

Instructions

Complete Sections 1 and 2: Enter in Section 1 the account under which the fractional period was erroneously included. Enter the same information in Section 2 of the account to which the transfer is being made. Preparation of Form BT-523, adjusting the tax correctly, will clear the delinquency for the third quarter 1989 under account SR KH 28-869100 and will adjust the proper amount of tax under each account. If the new account were in another taxing jurisdiction, the form would allocate the local tax to the respective taxing jurisdictions.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM								
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master		
34 060 023 0000		SR KH 28 — 11603				34 060 023 0000		SR KH 28 — 869100				
Name <u>John Stagner</u>						Name <u>Kontilis Kustom Kars, Inc.</u>						
1	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code		Account Analysis Code		2	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY		Bus. Code		
			64							64		
	Close Out <input type="checkbox"/> Did Not Operate <input type="checkbox"/>							Close Out <input type="checkbox"/> Did Not Operate <input type="checkbox"/>				
Change Start From to						Change Start From <u>1/1/90</u> to <u>12/1/89</u>						
Change CLOSING DATE from to						Change CLOSING DATE from to						
3 Return(s) for Entire Period From to filed under account number was due under and should be transferred to account number for \$ batch #												
4 Balance Under Account Number should be transferred to account number in the Following Amounts												
5 Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: *												
6 Return Designated * for \$ Represented Tax for												
7	a. The following partial period was erroneously reported. Tax for period from <u>8/12/89</u> to <u>9/30/89</u> was included in the return for * <u>2-89</u> filed under account number <u>SR KH 28-869100</u> adjustment is shown below: When more than one return is to be adjusted between accounts, prepare and attach separate schedule.											
	b. Tax return designated for * erroneously included tax for the period from to Under the same account. Adjustment is shown below:											
8	Delinq. established		CORRECT ALLOCATION				CORRECT ALLOCATION				Delinq. cleared	
	Transfer from		Acct. No. <u>SR KH 28-116003</u>				Acct. No. <u>SR KH 28-869100</u>				Transfer to	
	a. Delinquent periods		From: <u>7/1/89</u> To: <u>8/11/89</u> <u>SR KH 28-116003</u>				From: <u>8/12/89</u> To: <u>9/30/89</u>				b. Delinquent periods	
	Total Tax \$		<u>975.00</u>				<u>1,300.00</u>				Total Tax \$ <u>325.00</u>	
SEE REVERSE FOR DETAILS												
FOR HEADQUARTERS USE ONLY												

July 1990

COMPLIANCE POLICY AND PROCEDURES MANUAL

**TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD
ERRONEOUSLY INCLUDED IN A RETURN FOR ONE ACTIVE
ACCOUNT TO THE CORRECT ACCOUNT**

(CONT.) 350.095

Complete Section 7a and the adjustment grid in Section 7b.

Recap Item 7B

BT-523 BACK REV. 25 (4-91)

STATE BOARD OF EQUALIZATION
SALES AND USE TAX DEPARTMENT

**TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE
RECAP ITEM 7B — FRONT**

CORRECT ALLOCATION			Total Reported Erroneously Under	CORRECT ALLOCATION		
Acct. No	Account Number			Acct. No	Account Number	
From: <i>SR KH 28-116003</i>				From: <i>SR KH 28-869100</i>		
To: <i>7/1/89</i>				To: <i>8/12/89</i>		
State-County Tax	\$	<i>750.00</i>	\$	State-County Tax	\$	<i>250.00</i>
Local Tax	\$	<i>150.00</i>	\$	Local Tax	\$	<i>50.00</i>
BART-A 020	\$		\$	BART-A 020	\$	
ACTA 010	\$		\$	ACTA 010	\$	
BART-CC 021	\$		\$	BART-CC 021	\$	
CCTA 024	\$		\$	CCTA 024	\$	
FCTA 012	\$		\$	FCTA 012	\$	
IMTA 029	\$		\$	IMTA 029	\$	
INRC 014	\$		\$	INRC 014	\$	
LACT 005	\$		\$	LACT 005	\$	
LATC 035	\$		\$	LATC 035	\$	
MCTA 034	\$		\$	MCTA 034	\$	
MPRI 032	\$		\$	MPRI 032	\$	
OCTA 037	\$		\$	OCTA 037	\$	
RCTC 026	\$		\$	RCTC 026	\$	
STAT 023	\$	<i>75.00</i>	\$	STAT 023	\$	<i>25.00</i>
SBCG 015	\$		\$	SBCG 015	\$	
SBER 031	\$		\$	SBER 031	\$	
SDTC 013	\$		\$	SDTC 013	\$	
SDJF 016	\$		\$	SDJF 016	\$	
BART-SF 022	\$		\$	BART-SF 022	\$	
SFTA 027	\$		\$	SFTA 027	\$	
SJTA 038	\$		\$	SJTA 038	\$	
SMCT 002	\$		\$	SMCT 002	\$	
SMTA 018	\$		\$	SMTA 018	\$	
SBAB 030	\$		\$	SBAB 030	\$	
SCCT 003	\$		\$	SCCT 003	\$	
SCTA 006	\$		\$	SCTA 006	\$	
SCER 040	\$		\$	SCER 040	\$	
SCMT 004	\$		\$	SCMT 004	\$	
SCOS 039	\$		\$	SCOS 039	\$	
BART 001	\$		\$	BART 001	\$	
EQRF 033	\$		\$	EQRF 033	\$	
	\$		\$			
	\$		\$			
	\$		\$			
	\$		\$			
Total Tax *		<i>975.00</i>		Total Tax *		<i>325.00</i>

* Total Forward to Front (Section 8)

ACCOUNT MAINTENANCE

**TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD
ERRONEOUSLY INCLUDED IN A RETURN FOR CLOSED-OUT
ACCOUNT TO THE CORRECT ACTIVE ACCOUNT**

350.100

To explain and illustrate the following example, presume account SR-DH-22-696316 closed out 11-30-89 and account SR-DH-22-801234 carries a starting date of 12-1-89. The Form BT-406 on the predecessor shows 12-31-89 as the closeout date and Form BT-400 on the successor shows a starting date of 1-1-90. A 4th Quarter 89 return was filed under account SR-DH-22-1234S6 in the amount of \$1,313 representing \$1,000 state and county tax, \$200 local tax, \$100 FICA tax, and \$13 EQRf tax. Investigation revealed a change in the closeout date of the predecessor was which was in order with a corresponding change in the starting date of the successor required. Tax to be adjusted to the successor account for the month of December 1989 is \$338.

Instructions:

Complete Sections 1 and 2: Enter in Section 1 of the account information of the predecessor from which tax is to be transferred and note change of closeout date with "C.O." box checked. Enter the same information on the successor in Section 2 except that a change in starting date will be noted and the "C.O." box will not be checked. Complete Section 3 and the adjustment grid in Section 7b. Even though only a fractional portion of the fourth quarter is being transferred, the return itself must be placed in the successor account. Completion of Section 3 will accomplish this and completion of 7b transfers the proper amount.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM										
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master				
10 060 012 0000		SR DH 22 — 696316				10 060 012 0000		SR DH 22 — 801234						
Name <u>Pat Hubert</u>						Name <u>Thomas Riddle</u>								
1	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<u>24</u>					
	Close Out		<input type="checkbox"/>		Did Not Operate		<input type="checkbox"/>		Account Analysis Code					
	Change Start From to													
Change CLOSING DATE from <u>12/31/89</u> to <u>11/30/89</u>														
2	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<u>24</u>					
	Close Out		<input type="checkbox"/>		Did Not Operate		<input type="checkbox"/>		Account Analysis Code					
Change Start From <u>1/1/90</u> to <u>12/1/89</u>														
Change CLOSING DATE from to														
3	Return(s) for Entire Period From <u>10/1/89</u> to <u>12/31/89</u> filed under account number <u>SR DH 22-696316</u>													
	was due under and should be transferred to account number <u>SR DH 22-801234</u> \$ <u>1,3350.00</u> batch # <u>4461</u>													
4	Balance Under Account Number should be transferred to account number in the Following Amounts													
5	Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: *													
6	Return Designated * for \$ Represented Tax for													
7	a. The following partial period was erroneously reported. Tax for period from to was included in the return for * filed under account number Adjustment is shown below: When more than one return is to be adjusted between accounts, prepare and attach separate schedule.													
	b. Tax return designated for * erroneously included tax for the period from to Under the same account. Adjustment is shown below:													
8	Delinq. established		CORRECT ALLOCATION				Total Reported Erroneously Under		CORRECT ALLOCATION				Delinq. cleared	
	Transfer from		Acct. No. <u>SR DH 22-696316</u>				Account Number		Acct. No. <u>SR DH 22-801234</u>				Transfer to	
	a. Delinquent periods		From: <u>10/1/89</u> To: <u>11/30/89</u>				<u>SR DH 22-696316</u>		From: <u>12/1/89</u> To: <u>12/31/89</u>				b. Delinquent periods	
	Total Tax \$		<u>975.00</u>				<u>1,313.00</u>		Total Tax \$ <u>338.00</u>					
SEE REVERSE FOR DETAILS														
FOR HEADQUARTERS USE ONLY														

COMPLIANCE POLICY AND PROCEDURES MANUAL

TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD

ERRONEOUSLY INCLUDED IN A RETURN FOR CLOSED-OUT

ACCOUNT TO THE CORRECT ACTIVE ACCOUNT

(CONT.) 350.100

Recap Item 7B — Front

BT-523 BACK REV. 25 (4-91)

STATE BOARD OF EQUALIZATION
SALES AND USE TAX DEPARTMENT

TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE

RECAP ITEM 7B — FRONT

Total Reported
Erroneously
Under

CORRECT ALLOCATION

CORRECT ALLOCATION

Acct. No <i>SR KA 22-696316</i>		Account Number	Acct. No <i>SR KA 28-869100</i>
From: <i>10/1/89</i> To <i>11/30/89</i>			From: <i>8/12/89</i> To <i>9/30/89</i>
State-County Tax \$ <i>750.00</i>	\$ <i>1,000.00</i>	State-County Tax \$ <i>250.00</i>	
Local Tax \$ <i>150.00</i>	\$ <i>200.00</i>	Local Tax \$ <i>50.00</i>	
BART-A 020 \$	\$	BART-A 020 \$	
ACTA 010 \$	\$	ACTA 010 \$	
BART-CC 021 \$	\$	BART-CC 021 \$	
CCTA 024 \$	\$	CCTA 024 \$	
FCTA 012 \$ <i>75.00</i>	\$ <i>100.00</i>	FCTA 012 \$ <i>25.00</i>	
IMTA 029 \$	\$	IMTA 029 \$	
INRC 014 \$	\$	INRC 014 \$	
LACT 005 \$	\$	LACT 005 \$	
LATC 035 \$	\$	LATC 035 \$	
MCTA 034 \$	\$	MCTA 034 \$	
MPRI 032 \$	\$	MPRI 032 \$	
OCTA 037 \$	\$	OCTA 037 \$	
RCTC 026 \$	\$	RCTC 026 \$	
STAT 023 \$	\$	STAT 023 \$	
SBCG 015 \$	\$	SBCG 015 \$	
SBER 031 \$	\$	SBER 031 \$	
SDTC 013 \$	\$	SDTC 013 \$	
SDJF 016 \$	\$	SDJF 016 \$	
BART-SF 022 \$	\$	BART-SF 022 \$	
SFTA 027 \$	\$	SFTA 027 \$	
SJTA 038 \$	\$	SJTA 038 \$	
SMCT 002 \$	\$	SMCT 002 \$	
SMTA 018 \$	\$	SMTA 018 \$	
SBAB 030 \$	\$	SBAB 030 \$	
SCCT 003 \$	\$	SCCT 003 \$	
SCTA 006 \$	\$	SCTA 006 \$	
SCER 040 \$	\$	SCER 040 \$	
SCMT 004 \$	\$	SCMT 004 \$	
SCOS 039 \$	\$	SCOS 039 \$	
BART 001 \$	\$	BART 001 \$	
EQRF 033 \$ <i>0</i>	\$ <i>13.00</i>	EQRF 033 \$ <i>13.00</i>	
	\$		
	\$		
	\$		
	\$		
Total Tax * <i>975.00</i>	<i>1,313.00</i>	Total Tax * <i>338.00</i>	

* Total Forward to Front (Section 8)

ACCOUNT MAINTENANCE

**ONE ACCOUNT — TAX FOR ONE PERIOD ERRONEOUSLY
INCLUDED IN A RETURN FOR ANOTHER PERIOD**

350.110

To explain and illustrate the following example, presume under account SR-FB 25-767891 a return was filed and paid for the second quarter 1989 in the amount of \$1,400, representing \$1,000 state tax, \$200 local tax, \$100 SDTC tax and \$100 SDJF tax. The starting date of the account 3-1-89, but no return for the first quarter 1989 was filed. The account is delinquent for the first quarter 1989. An investigation revealed the tax for the first quarter has been included in the return for the second quarter. The amount to be adjusted to the first quarter is \$350 representing \$250 state tax, \$50 local tax, \$25 SDTC tax, and \$25 SDJF tax.

Instructions:

Complete Section 1, check "C.O." box and note change of starting or closeout date if appropriate. Complete Section 7b; enter fractional reporting period which was erroneously included in another return, the period of the return which included the fractional period, the account number under which the return was filed and show the correct adjustment in the grid in Section 7b.

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM			
Area Code	Account Number	Sub No.	Master	Area Code	Account Number	Sub No.	Master
37 060 017 0000	SR 9AB 25 — 767891						
Name <u>William Davis</u>				Name			
1 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY Bus. Code <u>24</u>				2 Reporting Basis <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY Bus. Code			
Close Out <input type="checkbox"/> Did Not Operate <input type="checkbox"/> Account Analysis Code				Close Out <input type="checkbox"/> Did Not Operate <input type="checkbox"/> Account Analysis Code			
Change Start From to				Change Start From to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3 Return(s) for Entire Period From to filed under account number was due under and should be transferred to account number for \$ batch #							
4 Balance Under Account Number should be transferred to account number in the Following Amounts							
5 Delinquent periods cleared by (audit) (Field Billing Order) (payment) dated: *							
6 Return Designated * for \$ Represented Tax for							
7 a. The following partial period was erroneously reported. Tax for period from to was included in the return for * filed under account number Adjustment is shown below: When more than one return is to be adjusted between accounts, prepare and attach separate schedule.							
b. Tax return designated for * <u>2-89</u> erroneously included tax for the period from <u>3/1/89</u> to <u>3/31/89</u> Under the same account. Adjustment is shown below:							
Delinq. established		CORRECT ALLOCATION		CORRECT ALLOCATION		Delinq. cleared	
Transfer from		Acct. No. <u>SR 9AB 25-767891</u>		Acct. No.		Transfer to	
a. Delinquent periods		From: <u>3/1/89</u> To: <u>3/31/89</u>		From: <u>4/1/89</u> To: <u>6/30/89</u>		b. Delinquent periods	
Total Tax \$		<u>350.00</u>		Total Tax \$		<u>1,050.00</u>	
		<u>1,400.00</u>					
SEE REVERSE FOR DETAILS							
FOR HEADQUARTERS USE ONLY							

COMPLIANCE POLICY AND PROCEDURES MANUAL

**ONE ACCOUNT — TAX FOR ONE PERIOD ERRONEOUSLY
INCLUDED IN A RETURN FOR ANOTHER PERIOD**

(CONT.,) 350.110

Insert back of BT-523 showing allocation for 2Q89.

BT-523 BACK REV. 25 (4-91)

STATE BOARD OF EQUALIZATION
SALES AND USE TAX DEPARTMENT

**TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE
RECAP ITEM 7B — FRONT**

Total Reported
Erroneously
Under

CORRECT ALLOCATION			CORRECT ALLOCATION		
Acct. No	Account Number		Acct. No	Account Number	
From: <i>SR 9-HB 25-767891</i>			From: <i>4/1/89</i>		
To: <i>3/31/89</i>			To: <i>6/30/89</i>		
State-County Tax	\$	<i>250.00</i>	State-County Tax	\$	<i>750.00</i>
Local Tax	\$	<i>50.00</i>	Local Tax	\$	<i>150.00</i>
BART-A 020	\$		BART-A 020	\$	
ACTA 010	\$		ACTA 010	\$	
BART-CC 021	\$		BART-CC 021	\$	
CCTA 024	\$		CCTA 024	\$	
FCTA 012	\$		FCTA 012	\$	
IMTA 029	\$		IMTA 029	\$	
INRC 014	\$		INRC 014	\$	
LACT 005	\$		LACT 005	\$	
LATC 035	\$		LATC 035	\$	
MCTA 034	\$		MCTA 034	\$	
MPRI 032	\$		MPRI 032	\$	
OCTA 037	\$		OCTA 037	\$	
RCTC 026	\$		RCTC 026	\$	
STAT 023	\$		STAT 023	\$	
SBCG 015	\$		SBCG 015	\$	
SBER 031	\$		SBER 031	\$	
SDTC 013	\$	<i>25.00</i>	SDTC 013	\$	<i>75.00</i>
SDJF 016	\$	<i>25.00</i>	SDJF 016	\$	<i>75.00</i>
BART-SF 022	\$		BART-SF 022	\$	
SFTA 027	\$		SFTA 027	\$	
SJTA 038	\$		SJTA 038	\$	
SMCT 002	\$		SMCT 002	\$	
SMTA 018	\$		SMTA 018	\$	
SBAB 030	\$		SBAB 030	\$	
SCCT 003	\$		SCCT 003	\$	
SCTA 006	\$		SCTA 006	\$	
SCER 040	\$		SCER 040	\$	
SCMT 004	\$		SCMT 004	\$	
SCOS 039	\$		SCOS 039	\$	
BART 001	\$		BART 001	\$	
EQRF 033	\$		EQRF 033	\$	
	\$				
	\$				
	\$				
	\$				
Total Tax *		<i>350.00</i>	Total Tax *		<i>1,050.00</i>

* Total Forward to Front (Section 8)

ACCOUNT MAINTENANCE

PREPAYMENT ACCOUNT — ADJUSTMENT OF PREPAYMENTS UNSUPPORTED BY QUARTERLY RETURN(S)

350.120

Prepayment periods, i.e., a prepayment month within the quarter, which are unsupported by a quarterly return must be treated differently on Form BT-523 than a return from a monthly or quarterly, etc., non-prepayment account. The word "prepayment" must be entered in the particular section of Form BT-523 being completed, next to the left-hand margin. Completion of the sections remains the same as with other accounts with this exception.

Instructions:

Complete Section 1 or Sections 1 and 2, depending on the circumstances. Complete the appropriate section as the illustration indicates:

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM								
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master		
56 020 000 0000		SR AR 13-769396				56 020 000 0000		SR AR 15-773193				
Name <i>Slo-Mo. Inc.</i>						Name <i>Claire Marhefka</i>						
1	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<i>24</i>		2	
	Close Out		<input type="checkbox"/>	Did Not Operate		<input type="checkbox"/>	Account Analysis Code					
	Change Start From						to					
Change CLOSING DATE from						to						
3	<i>Prepayment</i>											
	Return(s) for Entire Period From <i>4/1/89</i> to <i>4/30/89</i> filed under account number <i>SR AR 13-769396</i>											
was due under and should be transferred to account number <i>SR AR 15-773193</i> for \$ <i>4,310.00</i> batch # <i>4641</i>												

The following example is to be used for transferring a quarterly return to a prepayment account with its attendant two prepayment periods and later prepayment period unsupported by a quarterly return:

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT FROM								
Area Code		Account Number		Sub No. Master		Area Code		Account Number		Sub No. Master		
10 060 012 0000		SR DA 22-773311				10 060 012 0000		SR DA 41-639419				
Name <i>Kathy Davis</i>						Name <i>Lynn Endsley</i>						
1	Reporting Basis		<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	Bus. Code		<i>24</i>		2	
	Close Out		<input type="checkbox"/>	Did Not Operate		<input type="checkbox"/>	Account Analysis Code					
	Change Start From						to					
Change CLOSING DATE from						to						
3	<i>Prepayment</i>											
	Return(s) for Entire Period From <i>1/1/89</i> to <i>4/30/89</i> filed under account number <i>SR DA 22-773311</i>											
was due under and should be transferred to account number <i>SR DA 41-639419</i> for \$ batch #												

COMPLIANCE POLICY AND PROCEDURES MANUAL

DELINQUENCY CONTROL, REVOCATIONS AND REINSTATEMENTS

360.000

OVERVIEW

360.005

Taxes administered by the Board depend upon voluntary taxpayer cooperation for effective and efficient management. The vast majority of taxes due are promptly and fully declared and paid.

Accounts which fail to file, pay, or comply with the law or Board requirements are considered to be delinquent. This section will describe administration of delinquency programs.

TAXPAYER BILL OF RIGHTS

360.006

The Taxpayer Bill of Rights became effective January 1, 1989, enacting a number of procedures designed to ensure taxpayers were given every chance to voluntarily comply with Sales and Use Tax law.

The Board has extended Taxpayer Bill of Rights procedures for Sales and Use Tax law to also include Use Fuel Tax law.

TERMS USED IN ADMINISTRATION OF THE DELINQUENCY PROGRAM

360.008

Cause Delinquency

Any delinquency established for:

- a. Failure to pay a balance (cause code '9999'),
- b. Failure to post security (cause code '8888'), or
- c. Failure to comply with tax law requirements (cause code '7777').

Cause delinquencies are established by field offices.

Period code

A 4-digit code identifies specific reporting periods. A listing of all period codes may be found in the Business Taxes Code Book, Section 130.00. Note that the Business Taxes Code Book shows only the first two digits. The last two digits are the year portion. Thus January 1989 period code would be "5189". The Business Taxes Calendar shows full period codes and may be used as a reference.

Period Delinquency

Any delinquency established for failure to file a tax return ¹. Period delinquencies are established by the mainframe computer.

Period — Level Date Withhold

A temporary halt is placed on the hearing and revocation process for a *specific tax return reporting period* delinquency. Period withholds are established with a specific expiration date. When this expiration date is reached the delinquent period re-enters the hearing and revocation cycle.

Account — Level Bankruptcy Withhold

A halt is placed on the hearing and revocation process on all *delinquencies*. Account level withholds may be established when an account is in bankruptcy. The date an account level bankruptcy withhold is entered appears on the screen. Withholds will drop from the system in 2 years unless released earlier to protect any reporting periods which may be running into the statutes of limitation.

¹ Period delinquency does not include prepayments. Prepayment delinquencies are CAUSE delinquencies, cause code '7777'.

Account — Level Date Withhold

Processing a Form BT-16 or BT-400 (Reinstatement Application) will continue to generate a one-month date withhold on the account.

Period — Level Permanent 523 Withhold

A halt is placed on the hearing and revocation process on *all delinquencies* to be cleared by audit. Permanent 523 withholds may be established when delinquencies predating the permit application date will be cleared by audit. A permanent 523 withhold does not affect delinquencies occurring after the permit application date.

Transaction (TRANS) Code

Transaction codes appear on forms BT-1048 and BT-16, and in combination with period or cause codes establish or delete delinquencies for an account. Transaction codes, along with short descriptions of their purpose(s), also appear on on-line video terminal display screens.

REASONS FOR REVOCATIONS**360.010**

When a person fails to comply with any of the provisions of the law under which a permit or license is issued, the Board may revoke the permit or license.

Cause for revocation may be failure to file returns and pay tax; failure to pay a delinquent balance; failure to post required security, failure to keep or make available proper records; or for violation of any provision of the applicable law.

Also see CPPM 751.020

ESTABLISHING OR CLEARING DELINQUENCIES**360.011**

On-line delinquency administration will be phased in during 1990. Until all offices are brought on-line, paper documents will continue to establish and clear delinquencies.

Cause Delinquencies

Field offices **will establish** “cause” delinquencies by submitting Forms BT-598, *Notice of Security Requirements*, or BT-1048 to Headquarters Account Reference for processing. Upon completion of all field training and performance of on-line transactions at the district level, Form BT-1048 will become obsolete.

Field offices will clear “cause” delinquencies by submitting forms BT-487, *Security Receipt Advice*, BT-16, or BT-1048 until field training is completed. Thereafter, on-line input should be used.

WITHHOLDING DELINQUENCY ACTION

360.012

Establishing and Clearing Withholdsa. Period Level Date Withhold

Previously a date withhold affected an entire account. The new system allows a date withhold to be selectively placed on an account for only a specific period. The withhold does not affect “cause” delinquencies. District offices will use Form BT-1048 to establish or clear a period withhold. A separate BT-1048 must be prepared for each period requiring a date withhold. Upon completion of all field training, Form BT-1048 will become obsolete.

When establishing a period withhold, the month, day and year on which the withhold is to expire must be entered on the BT-1048; this expiration date will appear on the DEL 1 video display record after the BT-1048 is processed. Place a check into the box appearing on the same line as Trans. Code 11, and enter the period code. Clearing a period withhold is done by checking the bar appearing on the same line as Trans. Code 21, and entering the period code.

b. Period Level Permanent 523 Withhold

The current “523” withhold process will not change. However, if an account is later identified as needing a 523 withhold for specific periods that were not included in processing the original application, the district office can request the Account Reference Unit via form STD-100-B, *Mini-Memo*, to add a permanent 523 withhold to those periods.

c. Account Level Bankruptcy Withhold

During the transition period until districts begin performing on-line transactions, district offices request a bankruptcy withhold be added to or removed from an account by sending a Form STD-100-B, *Mini-Memo*, to the Account Reference Unit, listing all affected account numbers.

d. Account Level Date Withhold

Processing a Form BT-16 or BT-400 (Reinstatement Application) will continue to generate a one-month date withhold on the account.

e. Conditions Related to Withholds

- 1) When an account withhold is in place, delinquencies will continue to accrue, but no citations or revocations will be initiated, nor any delinquency forms sent to the taxpayer.
- 2) When a withhold is added to an account which has been cited, the citation will be removed, but the delinquency will remain.
- 3) Processing of a revocation will release all withholds for an account except a permanent 523 withhold for a specific period(s), or a bankruptcy withhold.
- 4) Period — level date withholds will not be accepted if an account-level withhold is present.
- 5) Withholds will not be accepted by the delinquency system under the following conditions: If the delinquency reason was for “cause” (security, balance, or failure to comply). If the account is revoked, bankrupt, or inactive (i.e. closed out).

HEARINGS**360.020**

Except for vendors use fuel tax weekly return items, all hearing notices, also known as "cites", are mailed by Headquarters. The hearing notices advise the taxpayer to appear at a specific time and place no fewer than 10 days after the Notice is served by placing it in the mail addressed to the person at his address as it appears on the Board's records. At a hearing, the taxpayer may show cause why a permit or license should not be revoked for the reason specified in the notice.

The responsibility for conducting the hearings is delegated to District Office Tax Administrators or their representatives.

Hearing times have been scheduled uniformly in all offices and branches designated by districts to conduct hearings, except South Lake Tahoe and San Rafael; these two offices will retain former hearing schedules.

Programming spreads hearings uniformly by terminal digit over 3 days, with 15 minute intervals beginning at 9:00 AM, ending at 11:30 AM, resuming at 1:00 PM and ending at 4:00 PM. Thus, on each day, 33 or 34 terminal digits are scheduled to appear over a total of 5.5 hours, or a total of 16.5 hours for all hearings. Total time slots available are 66. This will greatly reduce taxpayer traffic on hearing days, and will minimize adverse impact on other Board routine business.

Hearings will normally commence on Tuesdays and end on Thursdays. The Business Taxes Calendar will reflect specific dates, and will be adjusted for holidays occurring during hearing weeks. Mailing of Notices of Hearing will be made at least 10 days before the first hearing date. Revocation dates will be effective 60 days after the mailing of the Notices of Hearing.

Districts which experience problems with hearing schedules may request changes by submitting a request with justification to the Business Taxes Systems Coordinator, with a copy to the Chief of Field Operations and a copy to the Principal Compliance Supervisor.

Hearings are held at the district or branch office.

INITIATION OF REVOCATION ACTION**360.030**

In cases of failure to file and pay returns, revocation action is initiated routinely by Headquarters without request from the field except for use fuel vendors who are required to file weekly returns. Revocation action against use fuel vendor's for failure to file weekly returns is initiated by the district offices.

For a cause other than returns, revocation action is initiated by a district office forwarding a request to the Account Reference Unit. The request must clearly state the basis for the action. A revocation requested for failure to post security must set forth the amount of security, or additional security, demanded. Form BT-598, Notice of Security Requirements may be used to make this type of revocation request. Form BT-1048 may be used for requests based upon failure to pay balances, security and failure to comply until all field office training for the Delinquency System remote input has been completed

Also see CPPM 751.030

HEARING NOTICES**360.040****Forms Designed for Use With Delinquency System**

The address of the field office will be printed on the Notice of Hearing in a position to show through a double window envelope when the form is mailed to the taxpayer. If the notice is undeliverable by the U.S. Postal Service, the notice will be returned to the district or branch of control. Return addresses used will be those used for tax returns.

The second page of the hearing notice will be an actual return, pre-addressed with computer-printed period codes and check digits. Differing only in color from regular returns, these forms are yellow. Wording and format changes have been made to clarify Board requirements.

FORM BT-1048 — REQUEST TO CLEAR DELINQUENCY RECORDS OR WITHHOLD REVOCATION ACTION**360.050****Failure to File Returns**

On the day following the date of hearing, the field offices shall forward to Headquarters a separate request via Form BT-1048 for each account on which revocation is to be withheld for a stated length of time. Form BT-1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.

Other Cause for Revocation

When the cause has not been cleared, Form BT-1048 should be prepared to clear the delinquency record when the account is not to proceed to revocation. The delinquent record will be reestablished at a later date if requested on another Form BT-1048 by the field office. The account will re-enter the delinquent cycle starting with the mailing of a Notice of a Hearing. Form BT-1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.

For accounts which were cited for failure to file returns and pay tax, no request for withhold of revocation or cancellation of revocation action should be made if the cause has not been cleared, unless the person has demonstrated his intentions by definite action such as making a substantial partial payment. Cancellation or withhold of revocation should not be requested on the basis of a taxpayer's promise of future action.

When security is posted in response to a citation, Form BT-487 is used to clear the account record. Check the box provided at the bottom of the BT-487 and process the same as a BT-1048. A BT-1048 should be used when security is waived or some other arrangements are made after citation. Form BT-1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.

EFFECTIVE DATE OF REVOCATIONS**360.060**

Revocations are effective on the dates set forth in the Calendar of Business Tax Functions, and are effective 60 days after the date of the Notice of Hearing. If the cause of revocation is cleared in its entirety on or before the effective date of revocation, and the information is available in Headquarters, the notice will not be mailed. If the notice is mailed, the revocation will be considered inoperative upon receipt of notification from the district office on Form BT-16, Notice of Inoperative Revocation.

Also see CPPM 751.060

EFFECT OF REVOCATION**360.070**

Upon service of the revocation notice, all of the rights or privileges granted under the particular tax law are revoked or suspended until the license or permit is properly reinstated. Operation after revocation constitutes a misdemeanor. Taxpayers or officers of a corporation who continue operations are liable to prosecution.

Also see CPPM 751.060

Use fuel user permit revocations may be enforced by impoundment of the user's vehicles. If impoundment under Section 8706 is used as a means of enforcing revocation, the vehicle must be released when the user complies with the conditions of reinstatement and pays all user use fuel taxes, interest, and penalties due and the costs incurred for impounding or storage of the vehicles.

INTERDISTRICT TRANSFER OF REVOKED ACCOUNT**360.071**

Transfer of revoked accounts between districts causes numerous problems for districts, Headquarters Registration Unit, and Headquarters Account Reference Unit. Appearance of an account on the aged revocation list may be the first constructive notice the new district receives that a revoked account has been transferred to it. Errors on documents, such as form BT-1047, cause further delays in transferring accounts receivable and delinquency information from one district to another.

Prior to interdistrict transfer, revoked accounts should be reinstated where possible. Make contact with the taxpayer to determine whether a permit is still required. Should a permit no longer be required, close the permit out. If telephone or mail contacts fail to provide evidence of operation after revocation, send Form BT-142, District Request for Investigation, to the district where the taxpayer may be operating to investigate for operation after revocation before transferring the account.

If the holder of a revoked permit is actually operating in another district, and you cannot clear the cause of revocation and reinstate the permit, the account may then be transferred. The following procedures are required:

1. A memorandum, over the signature of the District Principal Compliance Supervisor, will be directed to the new district's District Principal Compliance Supervisor advising of the account's revoked status.
2. Form BT-1047 will be prepared in accordance with Section **310.000** et seq. of the Compliance Policy and Procedures Manual.
 - a. DO NOT SEND:
 - 1) any new or replacement card(s) to the taxpayer; or
 - 2) the original BT-1047 to Headquarters Registration Unit.
 - b. DO:
 - 1) place the word "REVOKED" in red or highlight, on the line marked "Delinquencies" in Section D.2; and,
 - 2) staple the Principal's memorandum to the exterior of the account file folder.

Form BT-1047, with investigative material supporting the transfer and the district file folder, is sent to the new district. The receiving district, within 30 days, will be responsible for completing the transfer, or returning the account file, untransferred, to the originating district if the proposed transfer is not required. Attempted transfers not conforming to this procedure should immediately be returned, unprocessed, to the originating district.

PROSECUTIONS, OPERATING AFTER REVOCATION**360.080**

When all other remedies have been exhausted, aid of the court may be required to bring about compliance.

Also see Section 745.000

CONDITIONS OF REINSTATEMENT**360.090**

To reinstate a revoked account, the taxpayer must:

- a. Clear the cause for revocation.
- b. File all delinquent returns and pay the taxes, penalty and interest due.
- c. Pay all delinquent balances due on the records of the Board.
- d. With regard to sales tax and vendor use fuel tax, post required or additional security or make arrangements to do so.
- e. Pay the reinstatement fee and complete any required forms.

If the taxpayer files bankruptcy the account will be reinstated without any of the above conditions being met. Form BT-16 will be prepared as outlined in Section **360.060**. This does not restrict effort to clear delinquent periods.

The taxpayer may be requested to comply with any other provisions of the laws or regulation such as: post security or additional security, keep adequate records, or report tax liability according to prescribed rulings.

When all conditions for reinstatement are met and the reinstatement fee has been collected the permit or license will be reinstated. A fee must be collected even though the account subsequently closes out.

After reinstatement, should the taxpayer fail or refuse to respond to any demand for compliance with the law or regulations, revocation proceedings should again be instituted citing expressly in the show-cause notice of hearing the particular causes for which the permit is proposed to be revoked.

Also see Section 751.090

REINSTATEMENTS AFTER REVOCATION — FEES**360.100****Sellers, Single Outlet**

Reinstatement after revocation requires a \$50.00 fee under the provisions of the sales and use tax law. Enter \$50.00 in item No. 3 of Form BT-400.

Consolidated Accounts

Reinstatement fees are \$50.00 per sub-location reinstated, including any which operated after the revocation date and which were subsequently closed out. No reinstatement fee for the master location is due unless it is a selling sub-location. The total amount of fees will be entered in item No. 3 of Form BT-400.

Users of Fuel

Use fuel tax law specifies a \$50.00 reinstatement fee for USERS of fuel. Enter \$50.00 in item No. 3 of Form BT-400-F.

Vendor

Vendor of fuel permit reinstatement fees are presently \$15.00. Enter \$15.00 in item No. 3 of Form BT-400-V.

REINSTATEMENT — FORMS REQUIRED**360.110**

To reinstate a revoked sales tax permit, use fuel or vendor use fuel tax permit, the use of the application Form BT-400, Form BT-400-F, or Form BT-400-V is required. If the person authorized to sign the application is out of the State, out of the country, or so incapacitated it would be impractical to attempt to obtain a signature, the reinstatement application may be accepted with the statement "Signature on File" with the reason placed on the bottom of the form. Care must be taken to verify no change of ownership has occurred.

USE OF FORM BT-404, REINSTATEMENT FEE ACTION**360.115**

Form BT-404 is used to transmit reinstatement fees if reinstatement of an account is not possible immediately. For instance, we will presume a security deposit is required to reinstate the permit. A \$50.00 reinstatement fee arrives in the mail, but no security deposit has arrived.

Form BT-404 is prepared in duplicate and prepared in duplicate and used to transmit the \$50.00 fee pending receipt of the deposit. Upon receipt of the deposit, staple the BT-400 to the duplicate Form BT-404, and transmit both documents to Headquarters Registration (NOT to Cashiers).

Form BT-404 may also be used to transmit replacement reinstatement fees if a reinstatement fee payment is returned unpaid for any reason. **When replacement reinstatement fees are transmitted, NO Form BT-400 accompanies the BT-404.**

Last, Form BT-404 may be used to request refund of reinstatement fees erroneously paid and subsequently found not due. An example would be a reinstatement fee collected on a bankrupt account.

PAYMENTS AFTER REVOCATION**360.120**

After revocation, the district should attempt to obtain cash, certified or cashiers check or money order in payment of liabilities and reinstatement fee(s). However, Government Code Section 6157 requires the State to accept personal checks if the person issuing the check furnishes proof of California residence and the check is drawn on a California banking institution. Once a check is returned without payment, we are no longer required to accept personal checks.

If the taxpayer insists on providing a personal or business check, or one is mailed to the district office and the taxpayer does not have a history of returned checks, the compliance supervisor may approve acceptance. Guidelines for acceptance of personal checks in the field, verification of checks and placement of holds on funds should be established by the compliance supervisor.

When return(s) and a personal or business check needed to clear a revocation have been mailed to headquarters, taxpayer normally should not be required to stop payment on the check and pay in certified funds. Such a delay could result in the assessment of additional penalty and interest charges (See Subsection 510.150). If the taxpayer's prior record does not justify immediate reinstatement, Form BT-404 (Reinstatement Fee Action) is prepared to transmit and deposit the reinstatement fee until proof of payment has been obtained.

INOPERATIVE REVOCATIONS**360.130**

Inoperative revocations occur because the taxpayer's action to clear the cause of revocation, although prior to the effective date of the revocation, is too late to prevent the recording of the revocation and the mailing of the notice. If the taxpayer is shown as revoked on the delinquent record, the district office will notify the taxpayer that the revocation is inoperative by use of Form BT-16, Notice of Inoperative Revocation. The duplicate copy will be sent to Headquarters Account Reference Unit with a concise statement of facts to clear the outstanding revocation from the delinquency record.

Also see CPPM 751.130

A revocation for failure to file and pay a return is considered inoperative only if the return and all taxes owing for that period are paid on or before the effective date of the revocation or the person has terminated his operations. A closeout (BT-406) will clear the revocation from the Board records. The revocation notice must be mailed to the latest address of record. If a change in business location has occurred and the notice of revocation was mailed to the former address, a revocation can only be considered inoperative if the Board received notice of the move prior to the effective date of revocation. Letters informing the Board of the change, Post Office Department Form 3573 sent to the Board, and returns with the address crossed out (if the correct address has been inserted) are all considered to be notices of a move. If the Board did not received notice of the move prior to the effective date of revocation, then the revocation is operative and the conditions of reinstatement must be met.

REVOKED ACCOUNTS CLOSED OUT IN ERROR**360.140**

Closeout code "1" will continue to be used to close out revoked accounts verified to have never operated ("DID NOT OPERATE").

Closeout code "8" signifies an account was closed out after revocation occurred, regardless of whether the closeout date occurred before or after the effective date of revocation. Closeout code "8" is used in lieu of any other closeout codes on all revoked accounts and/or sub-locations of a revoked account which have operated. Reason "8" is used for any sales and use tax or use fuel tax account.

Revoked accounts will be closed out only after investigation has positively confirmed the account has ceased doing business, either through phone calls, field investigation, or contact with the taxpayer. Returned mail in itself is not sufficient cause to close the permit as a taxpayer may simply be operating at another location.

The presence of closeout code "8" on the Business Taxes Consolidated Information System (BTCIS) video display will alert Board staff that positive confirmation of close out after revocation was obtained and the account should not be reinstated as close out in error. If a period of inactivity has occurred between close out after revocation and reopening, a new permit **MUST** be issued ². Filing of "zero sales" returns does not establish activity from date of close out to date of reinstatement from revocation and close out in error.

Revoked accounts closed out in error must meet all conditions of reinstatement before the account can be reinstated from an erroneous closeout.

REVOCATION, VENDOR USE FUEL PERMITS**360.150**

The district office is responsible for initiating revocation action against Vendor Use Fuel tax permits for failure of vendors to file weekly returns and pay tax. The control of delinquencies for weekly returns is the responsibility of the district and the revocation action must also originate there.

One copy of every hearing sent to a vendor use fuel tax permit holder for failure to file a weekly return must be sent to the Collection Unit with Form BT-1048, Request to Change, Add or Clear Delinquency Control Record, so that records in that unit can be marked accordingly. On the day after the date of hearing each district must forward Form BT-1048 on all accounts on which revocation is to be withheld. If no report is received and the delinquent returns have not been filed by the revocation mailing date, the account will be revoked.

Form BT-1048 will be discontinued once all field offices have received training in Delinquency System remote input.

REINSTATEMENT AFTER REVOCATION — FORMS BT-400**360.160**

When an account is reinstated after revocation the only entries made on Forms BT-400 are as follows:

Sales and Use Tax — BT-400

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)
- Item 7. Account number
- Item 8. Owner(s)
- Item 22. Certification

Item 22 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

User Use Fuel Tax — BT-40-F

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)
- Item 5. Account number
- Item 6. Owner(s)
- Item 20. Certification

Item 20 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

Vendor Use Fuel Tax — BT-400-V

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)
- Item 6. Account number
- Item 7. Owner(s)
- Item 21. Certification

Item 22 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

REINSTATEMENT AFTER REVOCATION — FORMS BT-400

(CONT.) 360.160

No copy of Form BT-400 is furnished to the Employment Development Department. Therefore, enter a large “**N.C.**” (for “NO CHANGE”) in Section 18 of Form BT-400 as shown in the following example

18 REGISTRATION — EMPLOYMENT DEVELOPMENT DEPARTMENT	
A. Are you now registered as an Employer with EDD?	<input type="checkbox"/> No <input type="checkbox"/> Yes
B. If no, will your payroll exceed \$100 in any calendar quarter? (If no, do not complete C through H. Go to I.)	<input type="checkbox"/> No <input type="checkbox"/> Yes
C. If yes, enter ending month and year of the first quarter in which wages will exceed \$100. Mo. _____ Year _____ Number of employees _____	
D. Federal Employer Identification Number _____	
E. Enter first month that personal income tax withheld exceeds/is expected to exceed \$350 _____	
F. Are you subject to Federal Eighth-Monthly deposits?	<input type="checkbox"/> No <input type="checkbox"/> Yes
G. Is this business a Non-Profit corporation?	<input type="checkbox"/> No <input type="checkbox"/> Yes
H. Do you have more than one establishment?	<input type="checkbox"/> No <input type="checkbox"/> Yes
I. Registration forwarded to EDD?	<input type="checkbox"/> No <input type="checkbox"/> Yes

This signifies “no change” occurred to the Board of Equalization account record, **and has no relation to Employment Development Department entries.**

REINSTATEMENT AFTER REVOCATION — MISCELLANEOUS CHANGE 360.170

Changes to the account record, except an interdistrict move of account, are made via remote input. Use remote Input to make any changes prior to transmittal of the “NO CHANGE” Form BT-400.

REINSTATEMENT AFTER REVOCATION AND MOVE WITHIN DISTRICT 360.180

When a move within district is made in conjunction with a reinstatement after revocation, use remote Input to make the move prior to transmittal of the “NO CHANGE” Form BT-400.

REINSTATEMENT AFTER REVOCATION AND INTERDISTRICT MOVE 360.190

Reinstatement after revocation of an account in conjunction with an interdistrict move requires Form BT-400, BT-400-F, or BT-400-V, and Form BT-1047.

Form BT-1047 is prepared per CPPM **311.000** to transfer account responsibility. Attach Form BT-1047 to BT-400, BT-400-F, or BT-400-V, and forward both through Cashiers (Forms BT-400, BT-400-F, or BT-400-V are cash transmittal documents) for processing. Because the account must first be reinstated with no change in the record and then subsequently the interdistrict move processed, the only entries made on the Form BT-400 are:

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)
- Item 7. Account number
- Item 8. Owner(s)
- Item 17. The “Reinstatement After Revocation and Interdistrict Move (Att. BT- 1047)” box must be checked.
- Item 22. Certification must be completed.

No Employment Development Department copy of Form BT-400 is required, and should be discarded.